Manitoba

Annual Report
2001 - 2002

Agriculture and Food

Includes 10% post-consumer waste

103-00335

Minister of Agriculture and Food

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter M. Liba
Lieutenant-Governor of Manitoba

Your Honour,

I am pleased to submit the enclosed annual report of the Department of Agriculture and Food for the fiscal year covering the period from April 1, 2001 to March 31, 2002.

During the 2001-2002 fiscal year we worked closely with our partners to advance our vision as found in our publication entitled, *Destination 2010*. This publication sets out our strategic roadmap with long-term goals for Manitoba's agriculture and food sector for the balance of this decade. *Destination 2010* affirms our commitment to strong family farms, healthy dynamic rural communities, as well as a prosperous and sustainable agriculture and food industry.

The success of Manitoba's agriculture and food sector is based on its ability to adapt and benefit from new trends and opportunities. Our department, acting as a catalyst for change, worked with all sectors of the industry to maximize the province's natural advantages and economic strengths. In the years ahead, we will continue to carry out this role while facing our competition within a global economy.

In closing, I remain confident about the long-term future of our province's agriculture and food sector.

Yours truly,

Rosann Wowchuk

Rosann Wowchuk
Minister

Manitoba

Deputy Minister of
Agriculture and Food

Room 159
Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8
(204) 945-3734

Honourable Rosann Wowchuk
Minister of Agriculture and Food
Province of Manitoba

Madam,

I am pleased to present the annual report of the Manitoba Department of Agriculture and Food for the fiscal year ending on March 31, 2002.

During 2001-2002 our Department carried out a wide range of activities and initiatives aimed at creating a more stable and prosperous agriculture and food sector. As you are aware, our efforts in this area involve providing leadership, facilitating co-operation amongst partners, and assisting with technology transfer. Our leadership role often focuses on bringing partners together to ensure that our industry benefits from changes in the global, national, and local economic environment.

Our staff members remain committed to "The People We Serve -- Our Foremost Priority" within our department's philosophy and values. No doubt, our department will vigorously continue to follow this guiding principle while working with farm families and the industry. In the years ahead we look forward to strengthening our partnership with sector stakeholders.

Respectfully submitted,

Don Zaeada
Deputy Minister

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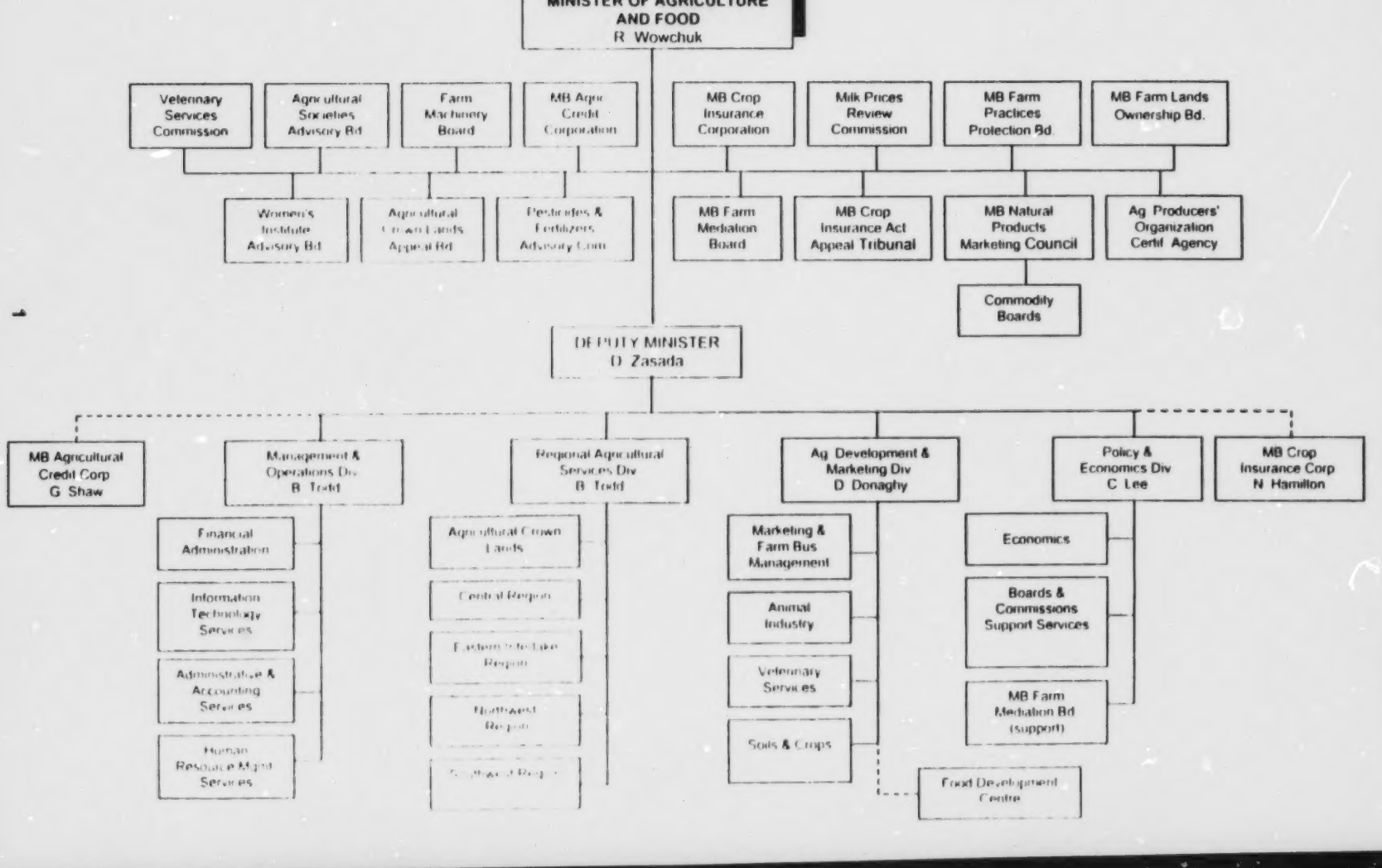
ORGANIZATION CHART OF MANITOBA AGRICULTURE AND FOOD



MANITOBA AGRICULTURE AND FOOD

Executive

Honourable Rosann Wowchuk, Minister

D. Zasada, Deputy Minister

D. I. Donaghy, Assistant Deputy Minister
Agricultural Development and Marketing Division

B. Todd, Assistant Deputy Minister
Management and Regional Agricultural Services Division

C. E. Lee, Assistant Deputy Minister
Policy and Economics Division

G. O. Shaw, General Manager
Manitoba Agricultural Credit Corporation

N. Hamilton, General Manager
Manitoba Crop Insurance Corporation

Directors/Managers

Administrative and Accounting Services -- D. H. Burch
Financial Administration -- M. Richter
Information Technology Services -- D. Brothers
Human Resource Management Services -- G. Brunette
Marketing and Farm Business Management -- D. Gingera-Beauchemin
Animal Industry -- J. Taylor
Veterinary Services -- A. Preston
Soils and Crops -- B. Todd
Northwest and Agricultural Crown Lands -- B. McCannell
Southwest -- W. Digby
Central -- B. Yusishen
Eastern/Interlake -- A. Dickson
Economics -- G. A. Fearn
Boards and Commissions Support Services -- G. H. MacKenzie
Manitoba Farm Mediation Board -- H. Nelson

PREFACE

Purpose and Organization of the Annual Report

This report was prepared by the Manitoba Department of Agriculture and Food to summarize the activities and accomplishments of the Department during the 2001/2002 fiscal year.

There are three major sections included within this report. The first section describes the activities, expenditures and accomplishments of the Department according to sub-appropriation number.

The second section contains summary tables comparing actual 2001/2002 expenditures and revenues with budgeted estimates for the same year. The 2001/2002 figures are also compared with actual expenditures and revenues for the previous fiscal year.

The last major section includes a five-year historical comparison of expenditures and staffing by appropriation number.

Mission and Role

The Department's mission and role statements support the provincial government's commitment to improve the quality of life of all Manitobans. Manitoba Agriculture and Food is committed to the overall provincial strategic priorities of community and economic development, sustainable development and fiscal responsibility.

The mission statement defines the common goal of the Department and its staff. The role statement defines how our organization will achieve its mission. The Department's mission and role statements are as follows.

Mission
We are dedicated to creating a supportive environment that advances the greater prosperity and stability of our farm families, other agriculture and food partners, and rural communities.

Role
Within a sustainable agriculture framework we provide leadership and a range of information, programs and services in support of our mission.

Our Vision

The publication entitled, *Destination 2010*, includes the Department's vision for the balance of this decade. This vision provides an overview of a desired and achievable state of the province's agriculture and food industry – and ourselves as an organization – by the year 2010. The vision stated below declares what this Department is striving to achieve while working with our farming and industry partners.

- Our farm families, agriculture and food partners and rural communities will achieve a higher quality of life by becoming more prosperous and economically stable.

- Manitoba's agriculture and food sector will be more profitable and competitive through expanded diversification and adding value, a growing livestock sector, and greater market orientation – all within a sustainable agriculture framework.

- Our rural communities will be more healthy and dynamic through expanded local economic and employment opportunities, based on a growing agriculture and food sector.

- Our Department will be the leading-edge provider of unbiased technical and up-to-date information to our clients.

Philosophy and Values

The Department's philosophy and values are based on a fundamental caring commitment to people — our clients and our employees. This caring commitment as found in the following statements has stood the test of time. These statements define who we are and our attitude towards others.

The People We Serve — Our Foremost Priority

The people we serve is why our Department exists.

We work together as a team with our clients to advance our province's agriculture and food industry.

The people we serve range from farm families, food processors, consumers, and Cabinet, to other government departments and to our fellow employees.

Our Best Job Performance

We, as employees, are committed to giving our best job performance every day with pride and professionalism.

We Are One Organization

We all share a commitment to our Department, a greater whole, that takes precedence over any of its parts.

Similarly, we all share a greater commitment to the Government of Manitoba and its priorities.

At all employee levels we strive to understand our roles within our Department's overall mission, goals, beliefs and values.

We Are Public Trustees

We are entrusted with managing funds and other resources owned by the public we serve.

At all employee levels we are committed to ensuring that we make the most effective and efficient use of the public resources entrusted to our care.

Within our organization's philosophy and values the primary statement we adhere to is our commitment to "The People We Serve – Our Foremost Priority". In effect, this client-focused

commitment serves as the foundation that our other beliefs are built upon. Throughout the decades Manitoba Agriculture and Food's strategic priorities have undergone considerable change. But our primary commitment has essentially remained the same – and no doubt will continue to remain so in the long-term future.

Motivation, Morale and Recognition

Manitoba Agriculture and Food has a Motivation, Morale and Recognition Strategy to meet the needs of staff and address the challenges of public sector organizational culture. A formal peer recognition program forms the basis of the strategy. Under the program, individuals or teams are recognized and rewarded for their achievements in:

- developing innovative programming with a process to serve clients better;
- demonstrating tireless dedication to their work and striving for excellence;
- enhancing the work experience of themselves and others while remaining committed to quality and client service; and
- providing exemplary commitment to client satisfaction, consistent quality service, and an understanding that their client is a number one priority.

The Department uses its Motivation, Morale and Recognition Strategy, as well as other measures, to motivate staff and boost morale ultimately based on service improvement for the benefit of our clients.

Home Page

The Department's annual report can be found on Manitoba Agriculture and Food's home page address at www.gov.mb.ca/agriculture. The 2001/2002 annual report on this web site includes a French language version for the Minister's introductory letter, the Deputy Minister's introductory letter, the Preface, and the Regions (5a, 5b, 5c, and 5d).

Sustainable Development Integration

Under *The Sustainable Development Act*, each Department is required to integrate into its annual reporting process, information about progress made in incorporating sustainable development into its activities.

A sustainable agricultural environment involves preserving and enhancing the province's natural resources; including its soil, water, air, and native flora and fauna. The long-term well-being of farm families and rural communities will require an integrated environmental, social and economic approach to agriculture. Consequently, what the Department does today, and what it will continue to do in the future is to conform, in part, with the *Principles* and *Guidelines* of Sustainable Development as provided for in the Act. The following are examples of what the Department has done to incorporate or continue its compliance with many of the *Principles* and *Guidelines* of Sustainable Development.

Principles of Sustainable Development

Integration of Environment and Economic Decisions: to meet the intent of Principle #1, the Department must ensure that:

(a) its economic decisions and activities adequately reflect environmental, human health and social effects; and that
(b) its environmental and health decision, activities and initiatives adequately take into account economic, human health and social consequences.

Examples

- The Department supports the sustainable expansion of the livestock industry in Manitoba. The Department develops strategies and disseminates information on the utilization of livestock manure and protection of land, air, and water resources in order to help the industry operate in harmony with its neighbours and the environment

- The *Farm Practices Guidelines for Hog Producers in Manitoba* were revised in 1998 and the *Farm Practices Guidelines for Poultry Producers in Manitoba* were revised in 2000. The *Farm Practices Guidelines for Dairy Producers in Manitoba* are currently being updated and revisions to the *Farm Practices Guidelines for Beef Producers in Manitoba* are expected to begin in late 2002. *Manure Management Planning in Manitoba – The Professional's Handbook* was released in 2001 and is the core of Manitoba Agriculture and Food's training material for producers, service providers, and professionals involved in manure handling and application.

- Animal Industry Branch staff participated in an industry led pilot project for the development and assessment of on-farm ISO 14001 Environmental Management Systems for individual hog producers. Branch staff represented the Department on the Canadian Standard Association's Technical Committee for the development of national, voluntary environmental management standards for hog producers and served as technical representatives on the Prairie Provinces Committee on Livestock Development and Manure Management. Within the scope of this committee, prairie-wide design and construction standards for liquid manure storage structures are being developed. Standards for uniform animal unit equivalents for most livestock species, site characterization protocols, and manure application and use guidelines are also being developed

Conservation and Enhancement: to meet the intent of Principle # 5, the Department must ensure that:

(a) its activities and decisions maintain the ecological processes, biological diversity and life-support systems of the environment;
(b) that renewable natural resources are harvested on a sustainable yield basis;
(c) that those persons who have been allocated provincial resources make wise and efficient use of them; and that
(d) its programs and activities enhance the long-term productive capability, quality and capacity of natural ecosystems.

Examples

- **Soils and Crops Branch staff were responsible for the planning and delivery of field programs which included agricultural sustainability projects and for providing training and technical information to producers. Field programming involved activities related to manure management and soil and land management, including reduced tillage.**

- **Soils and Crops Branch staff provided support and were involved in: the delivery of the Surplus Water Irrigation Initiative; technical reviews of proposals associated with livestock industry expansion; Manitoba Rural Background Water Quality Initiative; Livestock Sustainability Initiative; Manitoba Zero Tillage Research Farm; the Association of Irrigators in Manitoba (AIM); Regional Irrigation Associations; and Capital Region Review and the Planning Act Review.**

- **Manitoba Agriculture and Food staff are involved in many activities focussing on water quality. In the Northwest Region three watershed studies were carried out, including the Swan Lake Basin, the Shell River, and the Valley River. In each of the watersheds the process is at a different stage. The Swan Lake Basin Technical Advisory Board completed a technical report which is being presented to the stakeholders. The Shell River Watershed Quality Board are now initiating demonstrations to show best management practices to reduce livestock impact.**

- **The Agricultural Sustainability Initiative through the Covering New Ground Program provided assistance in a number of regions.**

- **In the Southwest Region there were 18 Local Delivery Groups that received funding for 25 projects as well as four direct delivery projects. One project organized four grazing clubs throughout the region to improve grass and riparian management, and two projects addressed water quality issues. One project monitored surface water quality prior to, and following, the delivery of an off-site watering system. The group that conducted this project also sampled community wells and had samples analyzed for water quality. Another group worked with Grade 11 students to develop a sampling project within a watershed. The purpose of the project was to examine how the impacts within the watershed affected the quality of the water.**

- **In the Central Region, staff provided assistance to 12 Local Delivery Groups. The major focus of projects in the Central Region was the ongoing support of producer directed demonstration and diagnostic sites highlighting sustainable cropping practices, environmental management practices, and soil conservation. Initiatives involved "Checkstrips" at Rosebank, Baldur and Crystal City, and "New Crop Adaptation" in Portage la Prairie.**

- **In the Eastern/Interlake Region, the Technical Review Committee reviewed a total of 39 applications for proposed livestock operations. As required by the terms of reference for the Technical Review Committee, staff carried out 45 site inspections comprised of 382 quarter sections for the purpose of evaluating site conditions and the proponent's manure management strategy. During the process, staff had 150 contacts with proponents of new**

and/or expanding livestock operations, 44 contacts with municipal councils, 22 contacts with the general public, 60 contacts with consultants on behalf of the proponents, and 235 contacts with members of the Technical Review Committee.

Global responsibility: to meet the intent of Principle # 7, the Department must ensure that:

(a) it thinks globally when acting locally, recognizing there is economic, ecological and social interdependence among provinces and nation; and that
(b) it works co-operatively, within Canada and internationally, to integrate economic, environmental, human health and social factors in decision making while developing comprehensive and equitable solutions to problems.

Examples

- Representatives from the Soils and Crops Branch participate in the Canada Committee on Natural Resources, which provides Manitoba's perspective on agricultural sustainability issues, including climate change.

- A Covering New Ground project developed a comparative energy and carbon emission budget for grain based ethanol, straw fibre based ethanol, and perennial forages such as switchgrass for ethanol production.

Guidelines for Sustainable Development

Efficient Uses of Resources: to meet the intent of Guideline #1, the Department must:

(a) encourage and facilitate development and application and use of systems for proper resource pricing, demand management and resource allocation together with incentives to encourage efficient use of resources; and
(b) employ full-cost accounting to provide better information for decision makers.

Examples

- The Central Region continued to place a strong emphasis on environment management. The bulk of engineering activity in the region involved working with clients to ensure that farming practices were conducted in a manner that reduced their impact on the environment, and also promoting sustainability.

Public Participation: to meet the intent of Guideline # 2, the Department must:

(a) use and establish forums which encourage and provide opportunity for consultation and meaningful participation in departmental decision making processes by Manitobans;
(b) provide due process, prior notification and appropriate and timely redress for those adversely affected by departmental decisions and actions; and
(c) strive to achieve consensus amongst citizens and the department with regard to decisions affecting them.

Examples

- Significant input was provided for the development of the Livestock Stewardship Initiative. Animal Industry Branch staff were involved in the development of the Province of Manitoba's position on the recommendations formulated by the Livestock Stewardship Panel as an outcome of the public consultations carried out in 2000.

- Eastern/Interlake staff attended fourteen meetings with farmers and municipalities on livestock manure management, zoning and land use issues.

Access to Information: to meet the intent of Guideline #3, the Department must:

(a) improve and refine economic, environmental, human health and social information related to natural resources and the environment; and
(b) provide and promote the opportunity for equal and timely access to its information by all Manitobans

Examples

- **The Animal Industry Branch is currently constructing a "one stop shopping" Internet site that provides information on all aspects relating to environmental issues associated with livestock production. This Internet site will list professional and service resources, allow for downloading of software, post regulations, provide a means for electronic distribution guidelines, and most importantly, will display all available information on current and past research and development and demonstration projects that deal with livestock environment.**

- **Manure management and various issues surrounding the topic resulted in numerous presentations from the Animal Industry Branch to staff, industry, and the University of Manitoba. The Branch also played a key role in training staff in other government departments and Branch staff participated in Manitoba's Livestock Options for the Future Conference.**

- **Inter-provincial liaisons and information sharing between Manitoba, Saskatchewan, Alberta, and British Columbia was accomplished through Soils and Crops Branch staff participation on the Western Coordinating Committee on Environmentally Sustainable Agriculture.**

- **Covering New Ground projects in the Southwest Region also included a communications component comprised of tours, newsletters, seminars, news releases, and workshops.**

- **In the Central Region, over 400 interested clients participated in activities such as field demonstrations, soil conservation trials, and sustainable crop rotation plots.**

- **Three extension meetings were conducted in the Central Region with the topic "Managing Manure – the Storage, the Application and the Odour" being part of the continuing "Manure as a Resource" regional emphasis. As part of the Provincial Conferences "Livestock Options for the Future", a presentation "Covers and Others" was given outlining some of the new and innovative odour control and manure treatment methods available to producers. The conference included three separate bus tours with the Central Region tour featuring a large feedlot and a layer operation, a soil and water conservation project, a new type of manure storage, and a negative pressure cover for earthen storage.**

- **On-farm conservation and sustainable agricultural activities in the Eastern/Interlake Region involved over 6,929 individual contacts and 769 in-depth consultations. Approximately 4,700 farmers, municipal officials, and non-agricultural residents participated in 18 meetings and 10 field days.**

Integrated Decision Making and Planning: to meet the intent of Guideline # 4, the Department must:

(a) encourage, facilitate, establish and ensure its decision making and planning processes are efficient, timely, accountable and cross-sectoral; and
(b) incorporate into its decision making and planning an inter-generational perspective of future needs and consequences.

Examples

- Northwest Region staff worked with six local soil management groups and six water conservation districts to provide assistance for sustainability. This involved 2,774 general contacts and 308 intensive consultations. Groups initiated 19 different projects under the Covering New Ground Program. The majority of the work was related to forage production and pasture management and included rotational, swath and complementary grazing, pasture renovation practices, and quality testing. Funding was also directed to demonstrating methods to provide clean water to livestock, while protecting water quality. Crop projects included demonstrations for new crops as well as numerous crop and pest management field days. The Parkland Crop Diversification Foundation carried out the majority of the crop diversification projects across the Northwest Region.

- The Northwest Region now has a riparian health council working committee, which brings Manitoba Cattle Producers Association, conservation agencies, and Manitoba Agriculture and Food together to tackle issues related to the impact of the beef industry on water quality. This council will assist the progress in the Region towards the adoption of environmental practices by the beef industry.

Waste Minimization and Substitution: to meet the intent of Guideline # 5, the Department must:

(a) encourage and promote, within and outside of the Department, the development and use of substitutes for scarce resources where such substitutions are both environmentally sound and economically viable; and
(b) reduce, reuse, recycle and recover the products the Department uses in its daily operations and encourage, promote and facilitate the 4 R's in society generally.

Examples

- Financial and Administrative Services Branch has provided leadership and strategic direction to Sustainable Procurement. The sustainable procurement initiatives in the department are to be coordinated by staff members from Financial and Administrative Services and the Central Region with participation from all branches and regions of the department.

- A Departmental "Green Procurement Team" was established in 2001 to begin work on a Departmental action plan that is to be filed with Manitoba Procurement Council by December 2002.

Research and Innovation: to meet the intent of Guideline #6, the Department must:

(a) encourage and assist in the research, development, application and sharing of knowledge and technologies which further economic, environmental, human health and social well-being.

Examples

- Soils and Crops Branch staff participated in the delivery of the fourth year of programming under the Manitoba Agricultural Sustainability Initiative – Covering New Ground. Staff responsibilities associated with Covering New Ground included: coordination of provincial, regional, and crop diversification centre projects; provision of technical assistance to regional staff; local delivery organizations; producer groups; conservation districts; and environmental agencies.

- The Soils and Crops Branch continued a detailed soil inventory project in the Rural Municipalities of Springfield, Tache, and Ritchot. A final report on the detailed soil survey of the RM of South Cypress is near completion. Work is progressing to develop a complete soil resource inventory package for the Assiniboine Delta Aquifier.

- A project in the Southwest Region demonstrating the use of straw covers for odour control on earthen manure storage facilities was completed. The project was successful in controlling odours and the practice is currently being adopted by other livestock producers. Another project investigated the use of hog manure as a nutrient source for forage crops.

- The South Tobacco Creek Project, located in the Central Region, was directed by the Deerwood Soil & Water Management Association with technical assistance from Manitoba Agriculture and Food, as well as financial assistance from Covering New Ground. This project included a detailed study of agricultural land use in relation to environmental factors such as water quality/quantity. Research activities included small dam headwater storage, preservation of water quality through headwater storage, comparison of run-off water quality between conventional and zero-tillage, the study of manure applied to a small watershed and the impact on water quality, the analysis of sediment loading in the watershed, and maintenance of background run-off water quality data.

- Six farm practices investigations and eight environmental assessments were conducted by the Central Region. In addition, 29 in-depth engineering design consultations related to livestock facilities, grain storage and handling, and farmstead planning were done. As well, 26 engineering assessments of proposed intensive livestock operations were done as part of the technical review process.

- Nine local groups delivered 20 projects in the Northwest Region. The three priority areas for the Northwest Region were: Pasture/Forages and the Environment; Agriculture and Environmental Water Quality Issues; and Annual Crop Production and the Environment.
- Eleven local delivery groups undertook approximately 41 Central Region projects. The three priority areas for the Region were: Appropriate Land Use and Promotions of Best Management Practices; Water Quality and Quantity; and Input Management.

- The Eastern/Interlake Region, through 11 local delivery groups, undertook and coordinated 47 projects. The three priority areas for the Eastern/Interlake Region were: Forage and Forage Seed Production; Livestock Production; and Crop Production.

- Under the Covering New Ground program, 29 provincial organizations, with the support of Manitoba Agriculture and Food staff, carried out a wide range of activities funded at $320,000. The three priority areas for the Provincial Group were: Fertilizer and Manure Impacts on Soil and Landscapes; Erosion on Sensitive Soils and Landscapes; and Agriculture Pest Management Strategies.

PART A

PROGRAM AND FINANCIAL

INFORMATION

Administration and Finance (1)

The Administration and Finance Division assists the Department in planning operational policies and programs. It ensures that the Department's activities are implemented efficiently and effectively. It also provides central support service to management and staff.

During 2001/2002, the organization components within this Division were Financial and Administrative Services, Information Technology Services, and Human Resource Management Services.

Minister's Salary (1a)

This expenditure provides additional compensation to an individual appointed to the Executive Council.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
Salaries and Employee Benefits	28.0	1.00	28.1	(0.1)	
TOTAL EXPENDITURES	28.0	1.00	28.1	(0.1)	

Executive Support (1b)

Executive Support is responsible for providing leadership, direction, and communication in the effective implementation of Department-wide goals and priorities. A key responsibility of this organizational unit is to advise the Minister on strategic and program options in compliance with government policies. Executive staff also ensure that all Department resources are allocated in accordance with government policies and priorities. The assurance of value for money and efficient and effective program delivery, remained a major priority of Executive Support.

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	469.7	9.00	496.6	(26.9)	
(2) Other Expenditures					
-Grants/Transfer Payments	8.4		15.9	(7.5)	
-Other	55.6		52.4	3.2	
Total Other Expenditures	64.0		68.3	(4.3)	
(3) Policy Studies	45.8		71.2	(25.4)	
TOTAL EXPENDITURES	579.5	9.00	636.1	(56.6)	

Financial and Administrative Services (1c)

The Financial and Administrative Services Branch provides financial management and administrative support to Manitoba Agriculture and Food programs. This support is provided by Administrative and Accounting Services, as well as the Financial Administration unit.

The Branch is involved in directing, developing, and administering financial support systems, financial planning, control, management, and reporting systems in the Department. With the implementation of SAP, and the subsequent decentralization of financial authority and operational responsibility, the Branch has developed an interim comptrollership framework resulting in controlled processes being implemented for the Department. This initiative will further ensure the efficient utilization and administration of the Province's fiscal and human resources within Manitoba Agriculture and Food.

The Financial and Administrative Services Branch also provides leadership and strategic direction to Service Manitoba and Treasury Board initiatives, such as Better Methods, Manitoba Measures, and Sustainable Development Procurement.

Branch staff process revenue and central based expenditures in accordance with legislative, departmental, and Treasury Board requirements. As well, staff manage and provide coordination for the procurement card process; departmental assets; departmental fleet vehicles; parking program; physical accomodations including equipment; requests under *The Freedom of Information and the Protection of Privacy Act* (FIPPA); records management program; summer and part-time student program, administration of contracts and processes including the Agricultural Sustainability Initiative (Covering New Ground) which involved 78 agreements; the Elk Management Fund; and workplace safety and health activity. Staff also coordinate and edit the Department's Annual Report.

The Branch continued to support the French Language Services Plan by coordinating and monitoring departmental publications for translation, including publications for the Manitoba Crop Insurance Corporation and the Manitoba Agricultural Credit Corporation, to ensure that agricultural services are offered to producers in various French language designated areas throughout Manitoba.

The Financial Administration unit provides management, financial, program, and related systems research and analysis for the Department, Cabinet, and Treasury Board. Staff compile annual estimates, quarterly cash flows, capital supply estimates, management reports, fund transfers, and financial information for various information requirements needed for the Annual Report, Treasury Board reviews, and the Legislative Estimates Debate. Staff also provide cash management support for the coordination of cost centre and internal order development.

Accounting Services processed expenditure and transfer payments involving Manitoba Crop Insurance Corporation, Net Income Stabilization Account, Accommodation Cost Recovery, Manitoba Telecom System, Mail Management Agency, Desktop, procurement cards, and other special payment requests such as the Manitoba Farm Disaster Assistance Program, Canada Manitoba Adjustment Program 2, and Agricultural Income Disaster Assistance. Approximately 3,000 transactions in operating and capital expenditures were processed by Accounting Services, along with branch/division audits and year-end accrual entries. All payments were processed electronically, resulting in an average process time of five days with an error rate of less than one percent. Twenty-one FIPPA applications were processed.

1 (c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	632.0	15.39	791.6	(159.6)	
(2) Other Expenditures	400.3		466.2	(65.9)	
TOTAL EXPENDITURES	1,032.3	15.39	1,257.8	(225.5)	

Information Technology Services (1d)

The objective of the Information Technology Services Branch is to coordinate, plan, implement, and manage the required information technology resources to enable the Department to meet its business goals, objectives, and opportunities. Along with providing computer management services and expertise for all user levels within the Department, the Branch provides advice to senior management on all information technology related matters. This assistance is aimed at ensuring that information technology resources are applied in a strategic, consistent, and economic manner that address overall Departmental objectives.

Information Technology Services provides the Department with services such as system analysis, design and development; ongoing system maintenance; system integration; technology research and development; technology planning; and specialized hardware/software purchasing.

As the technology in the department's systems increases, there is a greater demand to strategically manage and direct these resources. Information Technology Services plays a vital role in coordinating the acquisition of technology with the establishment of information systems, to aid in the delivery of departmental programs.

During 2001/2002 staff developed a number of new systems for the Department. These include: the Covering New Ground (CNG) System that tracks the status of projects under the CNG initiative; an application inventory for use by all departments in government; a training database to track training resources; a Rotation Grazing Designer which is a Geographic Information Systems (GIS) based application for the development of grazing plans; and a data conversion program to accept coded data input from local weather stations and convert the data into a readable format. Staff continued to work on the Vetlab Project, a veterinary laboratory system that was a pilot project last year. Developers programmed the base functions for the system, leaving the fine tuning, testing, and implementation for next year. As well, a number of existing systems were enhanced, such as the Internet based Agrimaps viewer and the livestock dealer licensing system. Two pilot projects were completed, including the use of hand-held devices for inspector data collection as well as a central file system, a knowledge base of stored general information shared between Agricultural Offices.

The Branch continued to provide support to staff with the management of their Desktop environment and facilitating the daily workings of the Desktop Management Environment Contract with Electronic Data Systems (EDS). The Branch also supported the Food Development Centre (FDC) network and workstations.

The Branch provided technical assistance in the continuing development of the Agriculture and Food website, which continues to be heavily utilized by clients.

1 (d) Information Technology Services

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	396.9	6.00	431.8	(34.9)	
(2) Other Expenditures	68.3		68.6	(0.3)	
TOTAL EXPENDITURES	465.2	6.00	500.4	(35.2)	

Human Resource Management Services (1e)

Human Resource Management Services is responsible for the development, implementation, administration, and monitoring of Departmental human resource programs and systems. Elements of these programs include: recruitment and selection; wage and salary administration; staff training and development; performance review/evaluation; employee relations; personnel records; benefits and payrolls. In addition, the Branch provides planning and consultation, as well as human resource services and assistance to the management of the Manitoba Agricultural Credit Corporation (MACC), and the Food Development Centre (FDC).

During 2001/2002, Human Resource Management Services assisted in filling 84 positions, as well as assisting with the recruitment of 63 summer students along with seven part-time and co-op students for temporary employment.

Human Resource Management Services continued to support the French Language Services Plan to ensure that French language initiatives meet strategic needs. Agricultural programs and services are offered in French to producers in various French language designated areas throughout Manitoba.

The Branch continued to administer the Department's pay/benefits system and classification system. It also maintained payroll records for staff, including employees from FDC and Intergovernmental Affairs. Comprehensive human resource services were provided, and leadership was coordinated for Manitoba Agriculture and Food, Intergovernmental Affairs, MACC, and FDC.

In 2001/2002 specialized training (versus general training) continued to be the focus, concentrating on areas such as Professional Update, Management Update, Orientation Program, Legendary Service, Desktop Management, and SAP training. There were a total of 1,601 training days in 2001/2002. A comprehensive orientation program continued to be delivered in Manitoba Agriculture and Food and Intergovernmental Affairs.

Branch staff assisted in the resolution of various labour relations issues in consultation with Department management, supervisors, and employees as well as Labour Relations and the Manitoba Government Employees Union.

1 (e) Human Resource Management Services

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	215.2	5.00	282.3	(67.1)	
(2) Other Expenditures	46.2		51.3	(5.1)	
TOTAL EXPENDITURES	261.4	5.00	333.6	(72.2)	

Risk Management and Income Support Programs (2)

The main objectives of Risk Management and Income Support Programs are to: administer crop insurance and other risk reduction programs aimed at minimizing the impact that natural perils have on production; and to provide for Manitoba's contribution to an income stabilization program designed to address fluctuations in producers' annual incomes.

Manitoba Crop Insurance Corporation (2a)

The objective of the Manitoba Crop Insurance Corporation (MCIC) is to provide Manitoba's agricultural producers with effective risk management programs, primarily through insurance protection for crop losses due to natural perils.

MCIC is responsible for the development and delivery of the Crop Insurance Program as provided for in *The Crop Insurance Act*. During 2001/2002, about 13,500 producers (10,300 separate production units) were insured. Insurance was provided on 44 crops, covering about 8.6 million acres. Over 80 percent of the cultivated acres in Manitoba are covered by crop insurance.

MCIC administers the Wildlife Damage Compensation Program, whereby producers are compensated for damage to agricultural products caused by big game animals and migratory waterfowl. Compensation is also paid for domestic animals killed or injured by predators.

MCIC offers separate hail insurance to those producers who are enrolled in the Crop Insurance Program. Producer premiums cover all of the related costs, including administration.

Although the Gross Revenue Insurance Program (GRIP) was terminated in Manitoba at the end of the 1995/1996 crop year, MCIC continues to be involved in finalizing the program.

MCIC's 2001/2002 activities and financial results are summarized in the MCIC Annual Report.

2 (a) Manitoba Crop Insurance Corporation

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
Grants/Transfer Payments:					
(1) Administration	3,987.9	101.00	4,465.6	(477.7)	1
(2) Premiums	22,887.8		24,000.0	(1,112.2)	2
(3) Wildlife Damage Compensation	834.1		1,034.0	(199.9)	3
TOTAL EXPENDITURES	27,709.8	101.00	29,499.6	(1,789.8)	

1. *The variance under authority was mainly due to lower than expected claim activity, legal and other fees.*

2. *The variance under authority was mainly due to lower than budgeted insured acres caused by excess moisture in the spring of 2001 and a larger than expected change in crop mix to lower premium crops (i.e. canola to wheat).*

3. *The variance under authority was mainly due to lower than average big game and waterfowl claims caused by favourable weather conditions in the fall and winter of 2001/02. These decreases were partially offset by higher than average livestock predation claims.*

Net Income Stabilization Account (2b)

The Net Income Stabilization Account (NISA) provides producers of grains, oilseeds, special crops, edible horticulture crops, cattle, hogs, and other livestock with comprehensive, predictable, and individually-targeted net income stabilization. The program, initiated during 1991/1992 for the 1990 farm tax year, is administered by a federal NISA Administration.

NISA assists producers with risk management, by encouraging them to set aside funds into their individual account in good years, for withdrawal in poor years. Producers may contribute up to three percent of their eligible net sales, which is matched by governments on a cost sharing arrangement involving two-thirds federal contributions and one-third provincial contribution.

In addition, farmers can contribute up to an additional 20 percent of eligible net sales to their account. These funds are not matched by governments. All of the producer contributions earn a bonus of three percent interest over market rate. The funding for the bonus interest of three percent is shared equally by the federal and Manitoba governments.

During the 2001/2002 fiscal year (2000 stabilization tax year), 19,520 Manitoba producers, representing $1.7 billion of eligible net sales, participated in the program (averaging $87,000 in eligible net sales per participant). Manitoba producers made new deposits of $31 million and provincial and federal NISA contributions for Manitoba farmers were approximately $48 million. Manitoba farmers had $477 million in NISA accounts on March 31, 2002 (averaging about $24,400 per participant). There were 5,336 producers that made withdrawals from their accounts. They withdrew $57.5 million, or an average of $10,775 per producer withdrawal.

2 (b) Net Income Stabilization Account

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	19,511.9		19,265.0	246.9	
TOTAL EXPENDITURES	19,511.9		19,265.0	246.9	

Manitoba Agricultural Credit Corporation (3)

The Manitoba Agricultural Credit Corporation (MACC) operates under *The Agricultural Credit Corporation Act*. MACC's purpose is to participate in meeting the financial requirements of the agricultural community, thereby contributing to a vibrant Manitoba economy that is globally competitive. The Corporation meets these financial requirements by providing direct loans, operating loan guarantees, feeder association loan guarantees, and diversification loan guarantees to Manitoba farmers. As requested, MACC delivers emergency and special assistance programming to Manitobans. Special emphasis is placed on the young, beginning, and/or expanding farm operations. Equally important is MACC's role in farm diversification and value-added production, which are vital to the stability and future of many rural communities.

MACC's Young Farmer Rebate offers eligible young farmers (39 years of age and under) a two percent rebate on the first $100,000 of MACC loan principal, for each of the first five years of the loan, to a lifetime maximum of $10,000. In 2001/2002, MACC clients earned rebates totalling $1.7 million.

During the 2001/2002 fiscal year, MACC experienced increased activity over the previous fiscal year. Program activity included the following:

Direct Lending	$73.0 million
Comprehensive Refinancing Loans	$ 0.8 million
Flood Proofing Loans	$ 2.1 million
Diversification Loan Guarantees	$42.4 million
Manitoba Cattle Feeder Associations Loan Guarantees	$26.6 million
Guaranteed Operating Loans	$14.0 million

MACC remained committed to providing responsive programming as Manitoba farmers continued to face many challenges and opportunities in the agriculture and agri-food industry. As a result of program reviews and consultations with stakeholders, programming modifications were made to assist farmers in the maintenance of viable operations and in taking advantage of diversification and adaptation opportunities.

The Corporation's specific 2001/2002 lending activities and financial data are detailed in MACC's Annual Report.

3 Manitoba Agricultural Credit Corporation

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments:					
-Administration	4,464.7	61.00	4,351.2	113.5	
-Net Interest Cost & Loan Guarantees	59.7		550.0	(490.3)	1
-Provision for Impaired Loans	766.4		800.0	(33.6)	
-Special Farm Assistance	95.0		200.0	(105.0)	
-Flood Proofing Loan Assistance	151.7		185.3	(33.6)	
-Manitoba Producer Recovery Program	120.5		197.6	(77.1)	
TOTAL EXPENDITURES	5,658.0	61.00	6,284.1	(626.1)	

1. *The variance under authority was due to lower than anticipated a) financing costs as less money than expected had been borrowed by MACC and b) Loan Guarantees Provision requirements for Guaranteed Operating Loans and Manitoba Feeder Association Loan guarantees.*

Agricultural Development and Marketing (4)

The Agricultural Development and Marketing Division provides specialist services to field staff, producers, and food processors. The Branches within the Division are Marketing and Farm Business Management, Animal Industry, Veterinary Services, Soils and Crops, and the Food Development Centre.

Marketing and Farm Business Management (4a)

The objective of the Marketing and Farm Business Management Branch is to strengthen the competitive position of Manitoba's agriculture and agri-food industry in the global marketplace. In support of this objective, the Branch provides reliable and unbiased marketing and farm business management services and information, facilitates industry promotion through collaboration and alliances, and partners in building a more diversified rural Manitoba through leadership development of youth, families, and communities. The Branch is committed to excellence in information dissemination, consultation, and training on a province-wide basis. Timely delivery of programs and services is supported with media promotion, reference materials, publications, and other resources.

The Branch achieved a variety of results in the following areas during 2001/2002:

Agricultural Societies

Agricultural Societies are the longest standing organization in many rural communities. Their objectives include leadership development, improvement in agriculture, horticulture, and home living, as well as the overall promotion of the progress of agriculture.

Agricultural Societies provide a focal point to educate both urban and rural constituents about agriculture. Many Agricultural Societies promote agriculture awareness through activities such as Brandon's Provincial Exhibition "Through the Farm Gate" program, Red River Exhibition's "Farm Family of the Year" program, and "Amazing Grains" school tours, as well as numerous displays and activities at fairs and exhibition trade shows.

Agricultural Societies partner with other organizations, such as 4-H and the Manitoba Women's Institute, as well as Manitoba Agriculture and Food staff on seminars, tours, courses, and educational displays. Other community organizations and local governments also derive direct economic benefits from the agricultural society's activities such as their fairs and exhibitions.

In Manitoba there are 62 agricultural societies comprised of about 15,000 members who volunteer their time for agricultural society activity. It is estimated that over 160,000 people attend the fairs and exhibitions annually, generating over $1 million of revenue into rural Manitoba.

The Department provided grant assistance of $368,400 to agricultural societies for fairs, exhibitions, educational events, as well as building improvements and equipment purchases. Along with the general administration of the program, grant assistance is provided to the Manitoba Agricultural Hall of Fame and to the Manitoba Light Horse Association.

The Department is responsible for the administration of *The Agricultural Societies Act*, which includes the activities of a Superintendent. The Superintendent works in the program areas of leadership and community development with the Manitoba Association of Agricultural Societies Advisory Board, and is also responsible for the Century Farm Program.

Century Farm Program

The Century Farm Program recognizes and honours pioneer farm families who have maintained a farm in one family for 100 consecutive years.

In 2001/2002, 43 farm families received Century Farm recognition. Gate signs, certificates, and official presentations took place around the province, giving the families well-deserved recognition for their contribution to Manitoba's agriculture and agri-food industry. Over 1,200 Manitoba farm families have been recognized through the Century Farm Program. Manitoba Agriculture and Food works with the Manitoba Historical Society in determining the eligibility of the nominees.

Home Economics

The focus of the Home Economics Section is to build decision-making skills and knowledge that achieve prosperity for farm families, agri-businesses, rural organizations, and communities. These programs and services are developed recognizing that people-based decisions are key to the sustainability of family farms and value-added businesses, and to the development of dynamic rural communities.

With the current agriculture environment of financial constraints and demands for adaptation, many farm and rural individuals are faced with challenging situations that are often stressful. The Section, with Manitoba Health, supports the development and delivery of the Manitoba Farm and Rural Stress Line. The Line was established in December 2000, and funded by Manitoba Health, with Klinic contracted as the delivery agent. A directory of human resource services has been compiled in co-operation with Community Contact. An Advisory Board provides ongoing policy and program direction.

Home Economics farm and rural stress fact sheets and programs also assisted families and rural communities by providing the knowledge necessary to build skills for coping and managing stress better. These skills included: communications; coping with change, crisis, and loss; time management; and managing stress and change. Additionally, Home Economics programs create awareness among support agencies of farm related financial and personal stress issues and facilitate the building of networks between these agencies to enhance program awareness and assist with the client referral process. Seven presentations reached 175 individuals and 12 stress-related information fact sheets received 10,660 Internet hits.

As Manitoba farmers, age 55 or over, comprise 31 percent of the farming population, it is anticipated that 70 percent of Manitoba farms will transfer ownership within 15 years. The Section works closely with the Farm Management Section and agri-food industry partners in developing and delivering family farm business transfer programs. The following programs are focussed on the success of the young and beginning farmer in assuming management of the family farm business:

1) Project 2000

- Promotion of departmental resources suited to helping young and beginning farmers achieve success, including plans for ready-to-use news releases, and a producer-friendly "Your Future in Farming" handbook.

2) **Family Farm Business Advisor Suite of Resources**

- **The target audience includes professionals (lawyers, accountants, insurance agents, farm management consultants/specialists, and home economists) who work directly with farm families.**

- **There were 106 professionals who attended one of three training seminars held in Winnipeg, Brandon, and Roblin. Fifty professionals purchased a new or updated manual, CD or Internet format, which is the most recent resource available for advisors.**

3) **Farm Family Financial Decision-Making**

- **Development and maintenance of a series of 22 informational fact sheets which received 28,817 Internet hits.**

Support to entrepreneurial and rural value-added business development is a priority in helping farm families diversify their incomes. The Section provides technical information and assistance in building leadership and management skills. Section activities and resource development in support of value-added/diversification included:

- **Development of a strategy for new home economics initiatives in value-added marketing skills to complement Destination 2010 strategic actions.**

- **"Agriculture: Producers Making It Happen – For Profitable Farmers and Communities" Conference; 106 producers and industry stakeholders focussed on Manitoba-made successful diversification and adding value options and opportunities.**

- **"Kitchen to Market Pack" (The Blue Box) - 35 Blue Boxes were updated, and placed on the home page, attracting 6,525 Internet hits.**

- **Educational Presentations - Seven presentations given to over 323 entrepreneurs and eight in-depth consultations with individual clients.**

The Section delivered a variety of messages to consumers and food processors with a strong focus on food safety and quality:

- **Development of strategies for new home economics initiatives in food safety and risk communications to compliment Destination 2010's strategic actions.**

- **Food Safety Feature Web Pages - Food safety and quality section and qualified scientific links established on the departmental site; 2,441 Internet hits to the food safety index page and 7,780 Internet hits to eight (English and French) food safety fact sheets.**

- **Biotechnology Education – Planned Program developed for use by Manitoba Women's Institutes and staff in educating consumers with science-based information and facts.**

- **Food Processing Entrepreneurs – Three client training sessions in FoodSTEPS, delivered with Animal Industry Branch and Food Development Centre reaching 24 food businesses.**

- **Member of the Canadian Partnership in Food Safety Consumer Education - 2001/2002 campaign resulted in distribution of *Fight Bac* educational materials to grades four to seven school classrooms.**

- "Living with Livestock Production" series – A total of ten brochures developed in conjunction with Animal Industry Branch and other stakeholders on the topics of concern by consumers regarding livestock operations. These brochures, available in French and English, were also on the Internet, and received 9,507 hits.

Risk communication skills training remains a high priority for staff, producers, and industry. Two study groups of regional staff and partners completed six training sessions.

Department representation on the Manitoba Women's Institute Provincial Board is provided by the Section. The Board's primary focus is on leadership development. The Manitoba Women's Institute was granted $35,300 for programming. Support was provided to the 15th Manitoba Farm Women's Conference which attracted 250 participants.

Manitoba Agriculture and Food (MAF) strongly supports community education and activities to prevent farm injury and fatalities. Manitoba Agriculture and Food manages the Community Farm Safety Project funded by the Worker's Compensation Board in partnership with Manitoba Always Be Careful (ABC) on the Farm, five Chapters of Farm Safety 4 Just Kids, and Farmers with Disabilities. This project is designed to enhance the coordination of Manitoba's community-based farm safety programs and to facilitate the development of leadership and program activities. As well, MAF provides leadership to national initiatives such as the Chair of the Canadian Coalition for Agriculture Safety and Rural Health.

4-H and Youth

The mandate of the 4-H and Youth Section is to provide a catalyst within 4-H and other rural programs in providing leadership skill development opportunities for rural youth, families, and communities. As well, Section staff provide support to students, teachers, Agriculture in the Classroom – Manitoba (AITC-M), Manitoba Education and Training, Manitoba 4-H Council, and farm safety organizations seeking agriculture awareness and farm safety information.

The Section provides support, resources, and leadership for 238 4-H clubs in rural and northern communities, involving 4,437 youth (ages 8-19) and 1,863 volunteer leaders. The Section, in co-operation with regional and district staff, produces, maintains inventory, and distributes to 4-H participants as requested: 18 different project series encompassing 65 4-H projects; 98 videos, handouts, books, and kits; and 34 4-H organizational and promotional resources. A new resource, the 4-H Discovery Zone box was developed and distributed to all Agriculture and Food Offices for use by volunteer leaders.

Manitoba 4-H Council provides the provincial level for volunteer involvement in 4-H policy and program direction. This Council consists of 12 junior and senior directors representing six 4-H regions, Manitoba Agriculture and Food staff, one representative to the Canadian 4-H Council, and one Manitoba 4-H Ambassador.

The Section provides organizational support, leadership skill development training, and direct service to Council participants and programs:

- strategic planning and goal setting
- 14 national/international opportunities benefiting 146 members and leaders
- seven provincial 4-H leadership activities for 3,355 members and leaders
- Provincial Communications competition involving 148 members
- National 4-H Careers Conference, the only Canadian 4-H Council program delivered outside of Ontario, hosted 31 Manitoba 4-H members and 11 members from other provinces
- 21 scholarships

- 4-H Highway Clean-Up Campaign involved 99 4-H clubs. In total 5,454 bags of garbage were removed from 1,273 kilometers of highway, resulting in $27,941 being raised by the 4-H clubs which was contributed by Manitoba Transportation and Government Services
- 26 Japanese school students and two chaperons were hosted by Manitoba 4-H families, and 15 Manitoba 4-H members and two chaperons travelled to Japan; the exchange was sponsored by The York-Benimaru Foundation, and was the 15th year that the program has taken place
- Northern 4-H leadership skill development activities included 150 4-H participants in seven events
- four issues of the Banner (provincial 4-H magazine) reaching 3,500 4-H families
- 4-H web pages for both the department (25 documents) and Manitoba 4-H Council (18 documents)

In co-operation with Manitoba 4-H Council, and other interested stakeholders, new initiatives in Manitoba's 4-H program include:

- International Youth Entrepreneurship Program; eight senior members studied and practiced global marketing skills via the GLOBE program of Junior Achievement. Project members apply marketing skills by trading with a youth-based company in Durango, Mexico.

- New resources were developed and piloted for the Livestock Education System (LES); a new approach to beef projects based on market ready indicators.

- The Quality Equation: Quality People + Quality Projects + Quality Experiences = The Quality Equation was adopted as the 4-H program guiding principles and was the focus of the provincial leaders conference which had 70 4-H leaders in attendance.

- Manitoba 4-H Council's Cumulative Sponsor Recognition program acknowledged 101 sponsors who contributed both financial and in-kind contributions to Manitoba 4-H Council and 48 contributors to the Manitoba 4-H Endowment Fund Foundation. Five sponsors were honoured with Grey Owl and/or Buffalo Club membership certificates.

Honouring 4-H participants is integral to the sustainability of Manitoba's 4-H program. Two hundred and eighteen leadership certificates, signed by the Minister of Agriculture and Food, were presented to leaders recognizing years of service. The Minister officially recognized the 4-H program through the proclamation of Manitoba 4-H Week.

Farm and rural safety and health continue to be a focus of the Section. Initial co-operation with the Manitoba Always Be Careful (ABC) on the Farm, an educational program for students in grades two and five, resulted in providing 10,000 packages for rural students, parents, and teachers. Since 1999, trained volunteers have delivered the ABC on the Farm program to 2,000 grade two students and 2,000 grade five students. The Farm Safety Display at Ag Days focussed on programs for youth with 433 students from 13 schools plus 1,500 adults learning safety practices.

Student and teacher awareness of agriculture is a priority for the 4-H and Youth Section with staff working closely with Manitoba Education and Training to provide curriculum specific agricultural information and resources. A staff member is an active board member of Agriculture in the Classroom – Manitoba (AITC-M). Departmental staff, in partnership with AITC-M and commodity groups, provided information on agricultural awareness to an estimated 3,500 people at eight major Manitoba events.

In co-operation with departmental staff and industry stakeholders, the concept of "Where's Agriculture?", an agriculture awareness initiative, was expanded to include the launch of the "Where's Agriculture?" website and Internet-based activities. Stickers and mouse pads were

distributed to promote the educational website. A presentation was given at the national Agriculture in The Classroom conference. Five thousand brochures were distributed in Manitoba, and permission to use "Where's Agriculture?" graphics was granted to British Columbia, Nova Scotia, and Saskatchewan agriculture awareness programs.

Farm Management

Farm Management focuses on empowering individual producer management practices directed at maximizing business net income through effective production, marketing, human resources, and financial management activity. The Farm Management Section supports staff initiatives by providing resource materials on financial management, risk management, estate planning, and available agricultural assistance programs.

Staff maintain 30 cost of production budgets that are revised annually or periodically. In excess of 30,000 copies of these budgets were distributed to farmers, departmental staff, financial institutions, private sector stakeholders, universities, and other levels of government. Staff also developed an Information Update series on tax and legal issues, insurance, and information relative to the area of family farm succession. Most of the Cost of Production Budgets and Information Updates are available electronically on Manitoba Agriculture and Food's website with 71 publications and 55 downloadable software programs under the Farm Management section. The information available on the website attracts over 7,000 hits per month.

Workshops were held with farmers throughout the province on the effective use of FarmPlan, a farm financial planning software program. The farm financial plan generated is used by the farmer in developing a business plan and for negotiation of farm credit. FarmPlan is used extensively by the Credit Unions in Manitoba and over 2,000 users have registered their use of this software.

Staff continued to be involved in the development of additional material to support the Manitoba Beef Prospects, a co-operative initiative between government and industry to promote the strengths and opportunities in Manitoba's beef cattle industry.

The Manitoba Farm Transfer Initiative Committee continued development of the resource material *"Managing the Present . . . Planning the Future"*. This ongoing farm succession project continues as a joint effort with producers, private sector stakeholders, and the Home Economics Section.

Farm Management staff assisted with the annual Family Farm Business Advisor Seminars. One hundred and six professionals and farmers attended these sessions to learn and discuss recent developments around the issues of farm transfer and succession. The Family Farm Business Advisory Board sold 50 new manuals/CDs/Internet access and updates during the year.

The Young and Beginning Farmers Committee is chaired by Farm Management staff, and is committed to young and beginning farmers. Assistance is offered through a review of existing programs as well as the maintenance, improvement, and development of programs specifically targeted to the needs of this client group. The Young and Beginning Farmers Committee, in partnership with the University of Manitoba Faculty of Human Ecology, undertook a study in developing a "Manitoba Young and Beginning Farmer Profile". Funding for the study came from the Manitoba Farm Business Management Council and Manitoba Rural Adaptation Council. Study results, to be published during 2002, will contain recommendations on possible programming options and gaps to be addressed in policy and extension efforts to young farmers. The Committee also assisted with the second Recapturing Wealth on the Canadian Prairies Conference held during October 2001 in Brandon. This conference was organized in partnership with the University of Manitoba, Manitoba Co-operator, Prairie Farm Rehabilitation Administration, Canadian Wheat Board, and Keystone Agricultural Producers. The majority of the 200 attendees were producers who were exposed to local, national, and international speakers on the main

theme of building strategic alliances within agriculture. Amongst the participants were 60 University of Manitoba diploma students. The conference used a workshop and democratic process to identify strategies on building alliances to further individual and community efforts in retaining wealth locally.

Farm Management Specialists used a number of electronic communication networks, which included an agricultural news and market analysis service, and farm management information networks. Extension efforts were also utilized by Farm Management Specialists to emphasize education and information sharing.

The federal and provincial governments, through the Canadian Farm Business Management Program, provided assistance for the development and delivery of projects designed to enhance farm business management knowledge and skills in Manitoba. During 2001/2002, this program extended $241,405 in funding assistance for 17 projects.

Farm Management staff were actively involved and represented at the Canadian Farm Business Management Council. They were represented on the Board of Directors and provided input into the efforts of the National Succession Advisory Committee.

The Marketing Extension Team supported two-way communication between the marketing staff who have direct contact with the international buyers, and the field staff, who have direct contact with the thousands of producers/sellers/exporters of Manitoba's agricultural and agri-food products.

Staff continued to organize and develop extension resources to the Mentoring Program and Enhanced Awareness Program components of Project 2000. This project is a new approach to assist young and beginning farmers in managing viable farm operations in Manitoba. The Mentoring Program, designed to increase farm business management skills of Manitoba's young and beginning farmers, involved 11 regional groups, 126 participants and 30 mentors during the year. Enhanced Awareness resources were developed highlighting Manitoba Agriculture and Food program services to this target group. The Beginning Generations Initiative component, announced in early 2002, will require further programming efforts from Farm Management for the Educational Credit aspect of this program.

Staff responded to a number of inquiries relating to agricultural employment such as training, Workers Compensation, vacation, overtime, and payment of wages.

Staff were involved in investment initiatives, including assessment of foreign individuals interested in agriculture operations in Manitoba.

Agri-Ventures

The Agri-Ventures Section focuses on new and emerging opportunities in industry development and business management through enhanced marketing capabilities and increased utilization and commercialization of agricultural commodities.

Agri-Ventures staff provided consultation in industry development, business planning, pathfinding services, and referrals for financing, agricultural production, technical issues, market information, and competitive business intelligence.

The Manitoba Agri-Ventures Initiatives (MAVI) program makes funding assistance available to facilitate industry development and business ventures that will create new uses for agricultural products, add value, and develop new markets for agricultural commodities and food production in Manitoba. A total of 18 project proposals received approval for the development of information

on business feasibility, planning, and market investigation. Types of projects funded included: market development for non-traditional livestock; marketing organic products; market development for horticultural and fruit crops; new food products; and agri-tourism.

The Agri-Ventures staff continued to support inter-government collaboration in collecting, assessing, and sharing information under the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity. Over 3,300 Manitoba companies were jointly surveyed to determine export interest and market potential resulting in information used to populate the Manitoba business component of WinExports. A new database entitled Business Opportunities Notification Database (BOND) highlights business opportunities and provides market information and intelligence.

Staff provided support to initiatives of technology transfer and resource development, including strategic planning among the organic, herb, aromatic, and medicinal industry sectors which resulted in the collaborative delivery of the provincial Industry Leaders Share their Experience Workshop. The Directory of Agriculture and Food Ventures in Manitoba was revised and published in print format as well as appearing on the departmental website.

Agri-Ventures staff provided technical assistance to groups involved in agri-tourism and direct farm marketing. In partnership with the national agri-tourism network, regional agri-tourism networks continued to develop business opportunities in several areas of Manitoba. The 2002 Direct Farm Marketing Conference provided approximately 100 participants with the opportunity to learn new market trends, share marketing skills, and increase business contacts.

Agri-Ventures staff provided technical information and planning assistance at provincial events including: Ag Days, Horticulture Industry Days, Rural Forum, Farm and Food Days, as well as regional trade events. Agricultural economic development assistance was also provided to: the Medicinal and Aromatic Plant Association of Manitoba; Organic Producers of Manitoba; Manitoba Herb Society; Manitoba Country Vacations Association; Conseil de developpement economique du Manitoba; the Canadian Organic Marketing Co-operative; the Manitoba Limousin Association; the Manitoba Elk Growers Association; the Manitoba Forage Council; the Manitoba Buckwheat Growers Association; and the Manitoba Pulse Growers Association.

Market Development and Promotion

The Market Development and Promotion Section is responsible for market development activities in Canada, the USA, Europe, and the Middle East. The section works collaboratively with industry in strengthening existing markets and developing new markets for provincially grown and processed agricultural and agri-food products.

The Section provided information and consultation to producers, processors, marketing boards, commodity associations, staff, and industry partners for market development information and assistance. Staff identified market trends and provided support for incoming and outgoing trade missions, while linking out-of-province buyer interests with Manitoba companies.

Staff assisted with 22 incoming missions from Sweden, Austria, Poland, Hungary, Ukraine, Russia, Iran, Egypt, Denmark, the Netherlands, India, Italy, the USA, and France.

With a focus on value-added food investment and immigration, staff participated in the Anuga 2001 trade show in Germany. The mission's objective was to assist Manitoba companies in promoting pork, investment, value-added food, organic grains, and oilseeds.

Major North American trade shows supported by the Section included World Dairy Expo and the Food Marketing Institute show in the USA as well as the Canadian Produce Marketing Association

trade show in Toronto, the International Pulse Industry Convention in Vancouver, and the Grocery Innovations food show in Toronto.

Section staff partnered with industry at Ag Days, Hog and Poultry Days, Rural Forum, Association of Manitoba Municipalities, Farm and Food Days, and the Dairy and Forage Conference.

In partnership with industry, staff explored market opportunities for oriental-style vegetables produced in Manitoba and initiated promotional initiatives. Staff were involved in planning the Medicinal and Aromatic Plants Association Conference held in Brandon, the Western Canadian Conference on Food Industry, and the World Heart Congress held in Winnipeg.

Assessments were conducted by staff on priority and emerging markets in keeping with the Federal/Provincial Market Development Council (FPMDC) initiatives. Staff participated in the USA and European sector teams for the Canadian International Business Strategy (CIBS), providing input into the national program to reflect needs of Manitoba's agriculture and agri-food sector.

Support by staff to the Federal/Provincial Steering Committee on Investment focussed on inter-provincial coordination of activities to enhance investment in primary agriculture and the agriculture and agri-food sector. Staff also worked with the North American Agricultural Marketing Organization (NAAMO) to compare trade initiatives, program activities and delivery mechanisms to enhance effectiveness of program delivery.

Border Busters, an export market development initiative, in co-operation with the Manitoba Food Processors Association (MFPA), was coordinated in partnership with Agriculture and Agri-Food Canada (AAFC). Staff supported inter-governmental collaboration through participation on the Trade Working Group of the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity. Staff continued to work with the MFPA and the Promotions Committee of Manitoba commodity boards in the promotion of Manitoba food products. This support included participation in and the coordination of mall trade shows, official representation on the Board of Directors of the MFPA, and involvement in the Manitoba Cusine Tourism Council.

Section staff updated resource materials for the Manitoba Food Products Directory and Manitoba Food Report. Staff also produced new resource publications and display materials for dairy and forages, computer presentations, and reference publications. The Great Tastes Initiative was continued with the program series on local television networks as well as local print media promotion in partnership with industry and producer associations.

International Trade Section

The International Trade Section, with its geographic focus on Latin America and Asia, works collaboratively with industry, industry associations, and other governments to implement trade support and development programs in those priority markets. The Section's primary area of focus is to increase trade awareness and to identify and develop export opportunities for Manitoba's agri-food products in Latin American and Asian markets. The Section provides consultation to industry, including marketing boards, producer groups, food processors, and partners. Market information and intelligence is gathered from these priority markets and information is disseminated through consultations, presentations, and reports.

The Section coordinated and participated in 25 incoming missions from Japan, China, Hong Kong, South Korea, the Philippines, Indonesia, Thailand, Mexico, and Chile, as well as two outgoing missions to Japan/Korea and Mexico.

Included in the trade development activities is the maintenance of close working relationships with the provincial and federal agencies of government under the umbrella of Team Canada

Manitoba. In support of the Canadian International Business Strategy (CIBS), the Section also participates on the Teams for the priority markets of Mexico, Japan, Korea, and China/Hong Kong. The Mexico Border Clearance Representative (BCR) project initiated by the Mexico Development Team placed a BCR in Laredo, Texas to help facilitate the crossing of Manitoba exports into the Mexican market.

An integral part of Manitoba Agriculture and Food's trade development strategy is to encourage and facilitate alliances amongst buyers and sellers, as well as government agencies located within target market areas. To enhance this process, Manitoba Agriculture and Food, together with Manitoba Trade, developed and maintained Co-operation Agreements with various state governments in Latin America. These agreements identify activities governments and agencies can undertake to facilitate networking opportunities between agri-businesses leading to increased trade. Agreements were maintained with the Province of Henan in China, State of Rio Grande do Sul in Brazil, the State of Buenos Aires in Argentina, and the States of Jalisco, Chihuahua, and Durango in Mexico.

Specific trade activities included: handling investment inquiries from the Pacific Rim; coordinating incoming and outgoing missions; presenting on market opportunities; disseminating market information and intelligence; and assisting exporters in facilitating contacts in foreign markets.

The Internet Marketing Project, in its second year, continues to become a more comprehensive source of export-related information. The Global Trade site promotes Manitoba agri-food products by connecting Manitoba suppliers of products with the international marketplace and facilitating the transfer of market information and intelligence to clients and customers at home and abroad. In conjunction with the Internet Marketing Project, the Global Trade Winds newsletter, highlighting events and new developments in Manitoba's agriculture industry, was sent five times to contacts around the world.

Section staff initiated the formation of the North American Buckwheat Promotional Committee, a group of specialists from the Canadian Special Crops Association, University of Manitoba, Canadian International Grains Institute, Canadian Grain Commission, The Manitoba Buckwheat Growers Association, Agriculture and Agri-Food Canada, Manitoba Agriculture and Food, and the buckwheat industry.

Support provided by section staff assisted the Manitoba Pulse Growers Association in their effort to develop close ties to the Mexican Bean Congress. Section staff remain closely connected to this initiative and serve as a liaison between the two parties.

The International Trade Section is also collaborating with the Manitoba Forage Seed Association to initiate a market development plan for China. The section introduced 11 incoming missions from China in 2001/2002 to Manitoba's forage seed capabilities, and efforts continue to focus on China as a market with enormous potential.

International Trade Section staff supported the International Youth Entrepreneurship Program (IYEP)/4-H program and assisted in connecting the group to partners in Durango, Mexico with whom an exchange of students took place.

4 (a) Marketing and Farm Business Management

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,792.2	34.04	1,903.3	(111.1)	
(2) Other Expenditures	1,262.5		1,335.8	(73.3)	
(3) Agricultural Societies Grant Assistance -Grants/Transfer Payments	353.4		368.4	(15.0)	
(4) Other Grant Assistance -Grants/Transfer Payments	42.8		42.8	-	
TOTAL EXPENDITURES	3,450.9	34.04	3,650.3	(199.4)	

Animal Industry (4b)

The Animal Industry Branch provides technical support, specialized services and information to regional extension staff, producers, the food industry, and consumers. These services are aimed at enhancing the development, productivity, diversification and skills of Manitoba's livestock producers and processors. The Branch also administers regulations pertaining to *The Dairy Act, The Margarine Act, The Livestock Industry Diversification Act, The Livestock and Livestock Products Act,* and *The Animal Liability Act.* The Branch is comprised of three sections: Livestock Development & Diversification, Food Quality & Product Development, and Production Quality & Safety.

All sections are engaged in comprehensive extension activities through the support and co-operation of regional extension staff. Staff attend regional producer meetings and serve as speakers or technical advisers at workshops and demonstrations. They also conduct on-farm and telephone consultations. Timely, technical information is disseminated through publications, news releases, and the media. Staff continued to upgrade Manitoba Agriculture and Food's Website, and copies of numerous publications were made available on the Internet. The Branch worked with industry to develop their work plans for the year ensuring that the programs implemented by the Branch were focussed in areas needed by industry.

Staff are involved at the national level in the implementation of the "Blueprint for the Canadian Food Inspection System" which was approved by the Ministers of Agriculture in 1994. In particular, staff worked on the development of harmonized national legislation for food, the dairy sector regulation and code, the meat regulation and code, and on-farm food safety programs.

Livestock Development & Diversification Section

The role of this Section is to co-operate with industry to develop and deliver programs that will have maximum impact on animal agriculture and to improve extension capabilities and visibility through participation with regional staff at producer meetings. This Section administers the following acts and their regulations: *The Livestock Industry Diversification Act, The Livestock and Livestock Products Act,* and *The Animal Liability Act.* Section staff worked on updating the Elk Game Production Regulation and developing the Wild Boar Regulation.

Beef Cattle

The Beef Feeder and Feedlot Specialist and the Beef Cow/Calf Specialist provided technical support to regional staff, producers, and industry representatives. Staff were invited to speak at 36 producer meetings, providing information on management, marketing techniques, and current issues facing the beef industry. Staff provided unbiased information and assistance to new producers interested in entering the beef industry, and information was also provided through farm and phone consultations.

Staff revised fact sheets, web pages, and other extension material, and developed new and relevant information packages that were aimed at producers, to improve production and profitability parameters. Provincially coordinated activities such as tours, workshops, and extension material were made available to all groups within the industry. The focus of these activities was the productivity and sustainability of the Manitoba beef industry.

Staff maintain a computerized registry for 5,618 livestock brands. Licences were issued to 108 livestock dealers and 104 agents.

Dairy

Staff conducted 48 in-depth, on-farm, milking time management consultations. These calls assisted producers in correcting elevated somatic cell count (SCC) problems and improving herd udder health.

Seventeen farm consultations were conducted on management areas unrelated to udder health problems. Eleven presentations were delivered to audiences of producers, staff, industry, and university/college students. Seven articles were written for the print media and information updates were forwarded to regional staff and industry.

Staff were actively involved in updating and redesigning the Department's Dairy Website to make it more user-friendly and informative. The main index page of the website received 2,432 hits during the fiscal year.

Staff updated and developed fact sheets on raising dairy replacement heifers, custom raising of heifers, and health programs.

The Manitoba Milk Quality Recognition Program was administered for the 13th consecutive year. The Program recognizes producer achievements for consistently marketing high quality milk over the previous year. For the 2000/2001 dairy year, a total of 186 milk quality certificates were issued to producers and were comprised of 70 Golds and 116 Merits. The Program is well received by producers, industry, and the general public.

Staff provided technical and marketing support to the Marketing and Farm Business Management Branch in 2001/2002 to incoming Trade Missions and assisted in the preparations for Manitoba's dairy/forage display at World Dairy Expo in Madison, Wisconsin.

Significant time was spent in co-operation with Farm Management and Regional staff to develop and update various Cost of Production Guideline documents and the corresponding Excel spreadsheet programs for the dairy herd, dairy replacement heifers, and dairy steers.

Staff worked with Manitoba Milk Producers to develop an Excel spreadsheet program that allows producers, staff, and industry to examine a number of "what-if" milk marketing scenarios and their impact on producer revenues and income over feed cost.

Staff continued to be actively involved on a number of national and international dairy committees involving milk quality, udder health, and dairy extension.

Swine

Manitoba is working with the industry that produced in excess of six million pigs during 2001/2002.

There were four issues of the *Manitoba Swine Update* produced by staff and distributed to Manitoba producers through the Manitoba Pork Council. Copies of the *Manitoba Swine Update* are distributed to clients throughout many regions of the world. Considerable time was dedicated to planning and organizing the Manitoba Swine Seminar, which attracted more than 410 participants. The theme of the seminar was "Sharing Ideas and Information for Efficient Pork Production" and featured a professionally prepared proceedings book. Articles from the *Manitoba Swine Update* and the proceeding papers from the *Manitoba Swine Seminar* were posted on Manitoba Agriculture and Food's Pork Website which was accessed more than 8,000 times per month by national and international clients.

Staff are assisting with the organization of Hog and Poultry Days that will be held in Winnipeg in December 2002. This two-day trade show will attract approximately 250 exhibitors and more than 1,300 industry participants.

Staff were involved in developing and implementing the Pork Quality Assurance Program in co-operation with the Canadian Pork Council. In addition, staff participated in the department wide initiative to increase swine production knowledge through producer meetings, updating cost of production guidelines, and by participating in the organization of the "Livestock...Options for the Future" conference.

The rapidly expanding swine industry in Manitoba created a demand for a significant number of trained swine care workers. Staff participated on the Pork Production Training Committee, which developed the Pork Production Manager Training Program. Staff were involved in providing feeding recommendations in response to requests from producers, veterinarians, and agri-business. Staff also provided technical information to Feed Industry Advisors through Animal Nutrition Associations of Canada's (ANAC's) Feed Industry Advisor's Course in June 2001 in Calgary. In conjunction with Marketing and Farm Business Management Branch staff, Animal Industry staff provided information presentations about pig production in Manitoba for international clients.

Dairy Nutrition

Through the Dairy Nutrition Program, staff work to ensure that those involved in dairy production have access to the most current technical information on nutritional practices. The demand for nutritional services came from a variety of sources including producers, Manitoba Agriculture and Food staff, feed company representatives, and practising veterinarians.

Practical and detailed feeding recommendations were provided in response to feed analyses, farm visits, and verbal requests. Recommendations on ration formulation and feeding practices were made by mail and telephone to producers, veterinarians, and agri-business.

Staff continued to organize and chair quarterly meetings of the Manitoba Practising Animal Nutritionists Group to increase discussion, understanding, and co-operation within the feed industry. The Group also provided a way for industry nutritionists to collectively address their common concerns.

The Nutrition Program places great emphasis on training and extension. During 2001/2002, 34 major presentations on various aspects of nutrition were given at producer and staff meetings. Bi-monthly articles on nutrition were written for the Manitoba Milk Producers' newsletter, *Milkline*, which was mailed to every dairy producer in the province. Three issues of *Nutrition Update*, a technical newsletter prepared for department staff, veterinarians, and feed industry representatives, were published. As well, six fact sheets were either written or revised. A major extension activity was the development and delivery of "Beef Nutrition Workshops" in conjunction with the Provincial Cow/Calf Specialist. These one day workshops were delivered at nine locations with over 175 people, including 145 producers, in attendance.

Equine

The Equine and Bison Specialist works with clients in the areas of equine ranching, light/pleasure horse, feedlot, and hobby horse industries.

Equine extension and technology transfer was carried out through staff and producer contacts. Technical information was prepared and coordinated for individual industry magazines and in response to requests from individuals.

The Equine Extension Program is designed to ensure that producers and owners of horses, breed associations, the Manitoba Horse Council, other government departments, and the general public have access to the most current technical information on the equine industry.

The Equine Specialist chairs the Equine Ranching Task Force Committee, composed of equine ranchers, industry representatives, equine extension staff, and veterinarians. The Committee strives to initiate increased discussion, understanding, and co-operation within the equine ranching industry in order to address common concerns.

The equine industry recognizes that industry standards and guidelines, as set out in *Codes of Practice*, inform the public about responsible animal care. This commitment led to the initiation of a National Horse Code for Canada. The Recommended Code of Practice for the Care and Handling of Horses on PMU Operations is now part of the Recommended Code of Practice for the Care and Handling of Farm Animals: Horses.

The Equine Specialist continued to meet with Linwood Ranch, an equine rancher demonstration farm, to review equine management techniques evolving from ongoing farm demonstrations.

The Equine Extension Program, in co-operation with the 4-H Program and Manitoba Equine Ranchers, has implemented a 4-H Young Horse Development Project. This project involves Manitoba Equine Ranchers with Manitoba-only bred PMU foals. The project commenced in 1998 and is continuing.

Bison

Approximately 75 percent of the Equine and Bison Specialist's time was devoted to the bison industry. The role of the Bison Extension Program is to ensure that both existing and new producers have access to the most current technical information on bison production. The demand for bison information came from producers, Manitoba Agriculture and Food staff, financial institutions, feed company representatives, veterinarians, and consulting firms. Practical and detailed bison management recommendations were provided through industry meetings, farm visits, and 792 direct producer calls.

Staff assisted the Manitoba Bison Association in the promotion and guidance of various industry development activities. Activities included two Bison Seminars with 110 attendees, and a Bison Field Day with 200 attendees. The Specialist provided extension support to the bison finishing industry. Approximately 30 percent of Manitoba bison producers are shareholders in the North American Bison Co-operative, a European Economic Community (EEC) approved plant. There are currently 180 bison producers involved in the Manitoba bison industry, of which 160 are members of the Manitoba Bison Association (MBA).

The Equine and Bison Specialist, in co-operation with the MBA, participated in a Manitoba Rural Adaptation Council (MRAC) project. The project developed three bison management videos as well as a promotional video and brochure, "*Bison are Back*", along with an association display. An additional video on "*Marketing and Economics*" was developed along with the brochure, "*Why Bison*", through the Farm Business Management Program.

Consumer awareness of bison meat was promoted through a Manitoba Agri-Ventures Initiatives (MAVI) project which involved the development of the brochure "*Manitoba Bison*". The program enabled the Manitoba Bison Association to attend many of the prestigious food shows promoting bison meat products in Manitoba.

With the expansion of the bison industry, there is a growing need for service to both established and beginning producers. Emphasis on youth was a part of the bison industry development over the past year, with the organization of the first Bison 4-H Club in the province. The Branch

worked with the Canadian Bison Association in the development of the Canadian Bison Association On-Farm Food Safety Program.

Elk

The Elk Specialist provides technical information on elk production.

All elk registered as game production animals on licensed game farms in Manitoba have been positively identified by means of DNA analysis. In order to qualify for registration as game production animals, elk must be born on a licensed elk farm in Manitoba and have parents verified by means of DNA, or if purchased they must be able to be traced back to a legitimate elk farm in a jurisdiction recognized as an acceptable source of elk.

Elk farms are inspected on an annual basis to ensure that facilities and animals are maintained to comply with the regulations, prior to receiving a Game Production Farm Licence.

The Elk Seedstock Program has made seedstock elk, captured from the wild, available to residents of Manitoba to assist them in diversifying into elk farming. In December of 2001 and in March of 2002, 303 elk were dispersed from Grunthal to contractors, Manitoba First Nations Elk and Bison Council, and elk seedstock draw participants. There are 210 elk being held at one licensed elk farm located near Inglis. These elk are held by the Province of Manitoba and the Manitoba First Nations Elk and Bison Council (MFNEBC). When a negative status for tuberculosis is attained from the Canadian Food Inspection Agency, a seedstock draw will be announced.

The Province of Manitoba has contracted with the Manitoba Assembly of Chiefs on behalf of the MFNEBC to supply up to 250 wild captured elk for an aboriginal elk farming program under the existing legislation. Approximately 222 elk have been assigned to the MFNEBC under this agreement.

In 2001/2002 88 game farms were licensed and an estimated 3,052 elk were being farmed.

Sheep

A significant effort was made by Manitoba Agriculture and Food Regional and Branch staff, along with members of the Manitoba Sheep Association Inc. (MSA), to provide timely answers to producer inquiries, to co-operate in planning and holding industry meetings and extension events, and to maintain the publication of *Sheep Sense*.

A full-time Sheep and Goat Specialist came on staff in January 2002. The specialist participated on the steering committee of the Manitoba Sheep Industry Initiative, which was supported financially by the Manitoba Rural Adaptation Council Inc. (MRAC). A Strategic Planning Workshop was held in Portage la Prairie which was attended by selected Manitoba sheep producers, industry members, and Manitoba Agriculture and Food extension staff. The final report, 'Expanding the Flock – A Strategic Plan for the Development of the Manitoba Sheep Industry', was submitted to MRAC in March 2002. Recommendations in this report are being used to formulate a business plan for the 2002/2003 year. The MSA is in the process of preparing another proposal for consideration by MRAC.

Manitoba's sheep and lamb industry is the sixth largest in Canada. The industry is expanding rapidly, with the number of ewes expected to reach 38,212 head in 2002. Manitoba has the largest feedlot operation in Canada, feeding 80,000 lambs annually.

Goats

The Sheep and Goat Specialist and the Manitoba Goat Association are working closely in developing a business plan to meet the needs of the industry. The business plan includes the development of a website, as well as providing information on extension activities.

The number of Manitoba goat farms have remained constant, and the number of goats has increased to 12,637 in 2001. Manitoba presently holds seven percent of the number of goats in Canada.

Livestock Environment

The Livestock Environment Engineer and the Livestock Environment Specialist promote the sustainable expansion of the livestock industry in Manitoba. The Livestock Environment Team develops strategies and disseminates information on the management of livestock manure and protection of land, air, and water resources in order to help the industry operate in harmony with its neighbours and the environment. The Livestock Environment Team works in co-operation with the Department's regional engineers, soil management and conservation specialists, as well as the Department of Conservation.

The *Farm Practices Guidelines for Hog Producers in Manitoba* were revised in 1998 and the *Farm Practices Guidelines for Poultry Producers in Manitoba* were revised in 2000. The *Farm Practices Guidelines for Dairy Producers in Manitoba* are currently being updated and revisions to the *Farm Practices Guidelines for Beef Producers in Manitoba* are expected to begin in late 2002. *Manure Management Planning in Manitoba – The Professional's Handbook* was released in 2001 and is the core of Manitoba Agriculture and Food's training material for producers, service providers, and professionals involved in manure handling and application. A "one stop shopping" Internet site that provides information on all aspects relating to environmental issues associated with livestock production is currently under construction. This Internet site will list professional and service resources, allow for downloading of software, post regulations, provide a means for electronic distribution guidelines, and most importantly, will display all available information on current and past research and development and demonstration projects that deal with livestock environment.

The Manure Applications Rate Calculator, MARC '98 was adopted as a "standard" tool for manure management planning in the three Prairie Provinces. MARC '98 software is used by more than 400 users and nearly 234 Manure Management Plans were registered with Manitoba Conservation in 2001. The software, which can be downloaded from the Manitoba Agriculture and Food Home Page, is also available on compact disk. A hard copy user manual from the Animal Industry Branch is also available. The software is presently being updated to facilitate the development of manure management plans required by Manitoba Conservation. MARC 2002 is a co-operative project between: Manitoba Agriculture and Food; Saskatchewan Agriculture, Food and Rural Revitalization; and Alberta Agriculture, Food and Rural Development.

Significant input was provided for the development of the Livestock Stewardship Initiative. The Livestock Environment Specialists were involved in the development of the Province of Manitoba's position on the recommendations formulated by the Livestock Stewardship Panel as an outcome of the public consultations carried out in 2000.

The Livestock Environment Team participated in an industry led pilot project for the development and assessment of on-farm ISO 14001 Environmental Management Systems for individual hog producers. The Livestock Environment Specialist represented the Department on the Canadian Standard Association's Technical Committee for the development of national, voluntary environmental management standards for hog producers. The Livestock Environment Team served as a technical representative on the Prairie Provinces Committee on Livestock

Development and Manure Management. Within the scope of this committee, prairie-wide design and construction standards for liquid manure storage structures are being developed. Standards for uniform animal unit equivalents for most livestock species, site characterization protocols, and manure application and use guidelines are also being developed. The Livestock Environment Specialist is a member of the national Expert Committee on Manure Management under the Canadian Agri-Food Research Council (CARC).

Routine information dissemination included numerous presentations to staff, industry, and the University of Manitoba on various issues surrounding manure management. The Branch also played a key role in training staff in other government departments. The Livestock Environment Team participated in Manitoba's Livestock Options for the Future Conference.

Poultry

Poultry extension and technology transfer was implemented through workshops and meetings as well as individual producer contacts. Three industry seminars, four producer workshops, and one bus tour were organized with a total attendance of 410 people. One workshop involved four wet-labs aimed at training producers and processors about proper feed withdrawal, which is a critical aspect of on-farm food safety programs. An additional workshop for health inspectors provided training on eggs and food safety. Five newsletter articles were written and distributed by means of the Internet, *Nutrition Update*, and *Manitoba Breeder Bulletin*.

In co-operation with a Manitoba chicken producer, a study was undertaken to find methods of reducing bacterial contamination on chicken carcasses. The Poultry Specialist provided expertise in monitoring barn conditions and the Dairy Specialist provided expertise in testing for bacteria. Several potential risk factors that could lead to higher contamination were identified. Follow up studies are being planned.

A study was undertaken by the Poultry Specialist that examined temperatures in broiler litter piles (mounds of used bedding material) that are stored outdoors. Temperature recorders were placed in the piles in August and February to gauge composting activity during summer and winter. Composting activity was found to be very high and a temperature of 65 to 75°C was reached in both summer and winter. These temperatures were high enough to produce a sterile compost product. The use of wind breaks and moisture management may be needed to maximize the composting activity.

Organic poultry diets were formulated for people wanting to produce organic chicken, turkey, and eggs. The Poultry Specialist also worked with the Organic Specialist from Soils and Crops to present a seminar on organic poultry for small flock owners.

The Poultry Specialist assisted in staffing the Manitoba Egg Producers' caged hen displays at the Red River Exhibition in Winnipeg and the Royal Winter Fair in Brandon. Over 30,000 people visited these displays.

The Poultry Technologist and the Poultry Specialist assisted with the documentation and blood testing for breeder flocks needing export permits. Veterinary Services Branch staff and the Dairy Lab tested all of the samples collected. The government-testing program supported the export of nearly four million chicks and poults to the United States. Without the involvement of the Province to oversee and provide third party verification of the results, these exports could not occur. The value of the exports has doubled in the past three years and added approximately $6 million to the provincial economy in 2000. The testing program also helped to provide quality assurance to the customers in other provinces who purchased an additional $6 million of chicks, poults, and hatching eggs from Manitoba hatcheries.

Food Quality & Product Development Section

Under *The Dairy Act* and *Dairy Regulation*, the Food Quality and Product Development Section licensed 19 dairy processing facilities and 219 dairy industry personnel. Staff conducted 135 plant inspections and follow-up visits that ensured compliance with satisfactory manufacturing practices. Staff also provided processors with technology transfer services and assistance in product and process development. These services and assistance were provided in a "trouble-shooting" capacity or during plant construction or expansion. The Pasteurization Control Program remained a high consumer safety priority for the Branch. Inspection staff continued their collaborative work with The Canadian Food Inspection Agency in "single window" plant inspections and were involved in the development of the Canada/Manitoba Dairy Memorandum of Understanding.

The Provincial Dairy Laboratory performed 55,037 analyses on raw milk and 4,016 analyses on processed dairy products. Milk from each of the province's dairy farms was analysed on a monthly basis for bacteria, antibiotics, added water, and somatic cell count. The average somatic cell count in 2001 was 271,000, which was higher than the 2000 average of 232,818, but better than the national standard of 500,000. Over 420 analyses were performed upon special request of the province's dairy producers while working with the dairy specialists, farm inspectors, or Manitoba Milk Producers. Eight hundred and five extension somatic cell count analyses were completed at the request of the Dairy Specialist or veterinarians. Laboratory analytical results were employed in the certificate program administered by the Provincial Dairy Specialist. The Provincial Dairy Laboratory strengthened antibiotic testing capabilities.

Staff organized and delivered courses to dairy industry personnel such as bulk milk graders, milk receivers, buttermakers, and cheesemakers, and served as primary instructors in thermal processing courses offered through the University of Manitoba. Instruction was provided in Hazard Analysis Critical Control Point (HACCP) courses in conjunction with the Food Development Centre and the University of Manitoba. Section staff led three FoodSTEPS courses in rural Manitoba in collaboration with regional home economists.

Extension services toward industry development were provided through technical and marketing information to livestock processors in the province, for both food and non-food applications. Section staff made presentations to industry and Department staff on HACCP systems. On-site visits to meat and dairy processing plants province-wide were also an integral part of the Section's activities. Assistance was provided to the Manitoba Meat Processors Association. An industry newsletter on livestock value-added was continued and remains well received by the industry.

Staff continued to be actively involved in a variety of national committees pertaining to the quality of livestock products including: National Liaison Group on Milk Products' Quality, Federal-Provincial Dairy Committee, International Dairy Federation, and Working Group on Imitation Dairy Products.

Staff provided a significant contribution to the ongoing development of harmonized food legislation for Canada including the National Dairy Regulation and Code, the Common Legislative/Regulatory Base for Food, and the HACCP Systems and HACCP-Based Program Recognition Protocol.

Production Quality & Safety Section

Dairy Farm Inspection Services

Under *The Dairy Act* and *Dairy Regulation*, the Production Quality and Safety Section provides farm inspection services to approximately 600 dairy farms in the province. Staff conducted 981 dairy farm inspections that involved scheduled inspections and re-inspections. Dairy inspectors also inspected 54 bulk milk truck drivers for performance of duties such as sampling for quality, sample care, and truck sanitation. Staff conducted 48 inspections of dairy plants to verify compliance with quality and safety standards.

Staff also conducted 115 extension visits to farms to assist producers in troubleshooting milk quality problems and to review new construction. Information was provided to dairy producers to assist them in meeting required safety and quality standards for raw milk, and also to assist them in improving their productivity. Staff provided processing plants with food safety and Hazard Analysis Critical Control Point (HACCP) information, and assisted in the organization and delivery of the Bulk Milk Graders' and Milk Receivers' Course.

Staff are working with the Canadian Food Inspection Agency (CFIA) and provincial governments to develop and implement a framework for the national monitoring of provincial dairy farm inspection and raw milk hauling.

Poultry Licensing and Inspection Services

Under *The Livestock and Livestock Products Act* and *Hatchery and Hatchery Supply Flock Regulation*, the Production Quality and Safety Section approved 66 hatchery supply flocks and issued licences to ten hatcheries. Staff conducted 187 poultry farm inspections to ensure compliance to safety and quality standards. The Section also issued 14 poultry dealer licences under *The Livestock and Livestock Products Act* and *Poultry Products Regulation*.

In addition to poultry farm inspection, staff conducted 2,460 enzyme linked immunosorbent assay tests on poultry blood samples to monitor vaccine effectiveness and 320 environmental sampling tests on breeder farms for *Salmonella*. Staff performed 25,845 tests to certify poultry and poultry products for export and assisted hatcheries in monitoring sanitation by providing 940 Rodac plates to hatcheries.

Staff inspected the 88 licensed elk farms in the province. Inspections were carried out under the Elk Game Production Regulation of *The Livestock Industry Diversification Act*.

Staff were involved in the organization of the following events for poultry producers: Feed Withdrawal Workshop; two Small Flock Roaster Seminars; Small Flock Egg Production Seminar; and the bus tour to The Midwest Poultry Convention and Trade Show. Staff also published the *Breeder Bulletin Newsletter*, which was distributed to all hatching egg producers. To increase public awareness of agriculture and poultry in particular, staff conducted four incubation and hatchery seminars for local schools. Staff also worked with producers to assist them in increasing productivity through alternate management techniques.

On-Farm Food Safety

Staff continued to work with commodity organizations to develop and implement on-farm food safety programs. In 2001/2002 staff worked closely with the Canadian Sheep Federation on the continued development of their meat and sheep dairy on-farm food safety program. Staff were also involved in the distribution of program materials as well as the training of industry stakeholders with respect to on-farm food safety programs.

Staff are actively involved in the Federal/Provincial/Territorial On-farm Food Safety Sub-Committee that is developing a national approach to the recognition of on-farm food safety programs. Staff participated in the first technical review of a national on-farm food safety program. The review was led by the Canadian Food Inspection Agency, with participation from the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Prince Edward Island, and Manitoba. The program under review was the On-Farm Food Safety Assurance Program developed by the Chicken Farmers' of Canada for broiler production. The outcomes of the review were used to further develop the Federal/Provincial/Territorial On-Farm Food Safety Recognition Protocol.

A significant contribution has been provided by staff to the Federal/Provincial/Territorial Working Group, under the Canadian Food Inspection System Implementation Group (CFISIG), that is developing a national strategy for the recognition of industry developed HACCP systems and HACCP-based programs. A draft of the Protocol was forwarded to provincial and federal departments/agencies responsible for the food safety.

4 (b) Animal Industry

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,721.5	35.78	1,886.0	(164.5)	
(2) Other Expenditures					
-Grants/Transfer Payments	631.3		-	631.3	1
-Other	525.0		570.1	(45.1)	
Total Other Expenditures	1,156.3		570.1	586.2	
TOTAL EXPENDITURES	2,877.8	35.78	2,456.1	421.7	

1 *The variance over authority was due to the setting up of a valuation allowance for the Elk Management Fund primarily as a result of lower than anticipated prices and increase in costs resulting from the deferral of elk sales to meet Canada Food Inspection Agency testing requirements*

Veterinary Services (4c)

The objectives of the Veterinary Services Branch in 2001/2002 were: to provide the necessary resources for diagnosis of livestock diseases while promoting animal health; to encourage the use of veterinary services and laboratory diagnosis by livestock producers; to administer public animal hospitals; to provide extension services to livestock producers; to conduct disease surveillance; and to administer the Humane Inspection Program in the province.

In 2001/2002, the Branch administered *The Veterinary Services Act, The Veterinary Science Scholarship Fund Act, The Animal Diseases Act,* and *The Animal Care Act.* The *Animal Care Act* includes provisions on animal abuse and neglect. *The Animal Diseases Amendment Act* is currently before the Legislature. Staff investigated 220 complaints on inhumane treatment of animals, and of these, 103 were deemed unjustified and 85 required corrective measures. Charges were laid in four cases and animals were seized in 19 cases.

Financial assistance was provided through the Veterinary Science Scholarship Fund to 26 Manitoba students enrolled at the Western College of Veterinary Medicine. In addition, through the Summer Student Employment Program, 20 students were provided with practical experience, while being encouraged to practice in Manitoba's rural areas upon graduation.

Through operating the province's veterinary diagnostic laboratory, the Branch provides technical and specialist services to rural and urban veterinarians. The laboratory received 17,075 cases and conducted 421,434 tests in 2001/2002. Increased activity in the farm sector was associated with increased shipments of specimens from both swine and beef sectors. Producers were able to maximize their economic returns through the laboratory's high-priority commitment to the rapid reporting of laboratory results. Polymerase Chain Reaction (PCR) testing for diseases of cattle, hogs, and poultry provided a quick turn-around of results and greater utilization of service by producers. The trend is to test whole herds for certain diseases such as Bovine Virus Diarrhea in cattle and Porcine Reproductive and Respiratory Syndrome in hogs. New research in surveillance methods for diseases such as Johne's disease, Neosporosis in cattle, and Chronic Wasting Disease in elk, has contributed to an increase in cases and the number of tests performed.

Branch staff also provided pathology demonstrations to Red River College (RRC) students as well as assisting the instructors of RRC in their Animal Health Technology course.

Field Services staff participated in approximately 100 extension seminars for beef, dairy, elk, bison, sheep, and horse producers across the province. During 2001/2002, staff attended over 55 producer meetings. Staff delivered course lectures at the University of Manitoba and RRC concerning animal health and management issues.

Field staff also conducted several disease investigations throughout the year in response to requests from Branch pathologists and private veterinarians.

Field and laboratory staff were involved with foreign animal disease issues. An anthrax outbreak occurred in a herd located in southeastern Manitoba resulting in the death of 24 cattle on one farm, and the vaccination of the entire herd upon diagnosis. Tuberculosis in cattle and elk in the vicinity of Riding Mountain National Park continued to be an issue, with significant resources being used to control and eradicate the disease, in co-operation with the Manitoba Conservation, Parks Canada, the Canadian Food Inspection Agency (CFIA), and the Manitoba Cattle Producers Association. Chronic Wasting Disease (CWD) was a major disease concern in Saskatchewan and Alberta. Manitoba has improved its CWD surveillance program to ensure Manitoba's continued freedom from this disease. All elk producers in the province are required to take part in a CWD

program that requires mandatory post-mortems of all deaths, with testing for CWD mandated for all deaths in elk over twelve months of age.

Since the Foot and Mouth Disease (FMD) outbreak in the United Kingdom, and in many other parts of the world, Manitoba continues to work toward revising and updating its FMD contingency plans to ensure that FMD does not occur. A contingency plan involving the CFIA is also being revised.

Veterinary Services Branch is involved in West Nile Virus (WNV) surveillance, providing the infrastructure for collection of corvid samples from which brain and kidney samples are extracted for further analysis at the National Centre for Foreign Animal Disease in Winnipeg. Our lab inputs information on these samples directly into a national database maintained by the Canadian Co-operative Wildlife Health Centre in Saskatoon.

Following the terrorist attacks in the United States on September 11, 2001, bio-security has been a key component of Veterinary Services Branch extension efforts over the fall and winter months. All Manitoba Agriculture and Food staff have been apprised of their roles in preparing for a foreign animal disease incursion, in particular their role in promoting proper bio-security protocols for producers. In addition, security measures have been enhanced at 545 University Crescent, with the daily presence of uniformed security personnel. The building has now been converted to an electronic security system that meets the Branch's current requirements for building access.

Under *The Veterinary Services Act*, the Branch provided provincial grants to 28 veterinary districts. This funding helped support a 24-hour, seven-day-a-week service through 55 veterinarians and their staff. During the year, meetings were held with Veterinary Services District Boards and with the Association of Manitoba Municipalities. The Branch assisted the Veterinary Services Commission with the administration and distribution of a $300,000 special grant for capital equipment and infrastructure for the Veterinary Services District Program.

The Branch assisted in supporting livestock disease control research by providing $15,200 to the Veterinary Infectious Diseases Organization. The Branch administered the Rabies Indemnity Program, a federal-provincial initiative to monitor the incidence of rabies. Payments within this program area totalled $4,900.

4 (c) Veterinary Services

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,939.5	37.79	2,025.4	(85.9)	
(2) Other Expenditures	893.7		818.1	75.6	
(3) Grant Assistance - Operating -Grants/Transfer Payments	467.1		467.1	-	
(4) Grant Assistance - Capital -Grants/Transfer Payments	299.7		300.0	(0.3)	
TOTAL EXPENDITURES	3,600.0	37.79	3,610.6	(10.6)	

Soils and Crops (4d)

Soils and Crops provides a coordinated program to enhance crop diversification, production, and utilization, while maintaining and enhancing soil and water resources. In support of these objectives, the Branch provides regional staff, agri-business, and farmers with technical support, along with specialized services and information. This overall support enhances the productivity, output, and marketing capability of Manitoba's crop producers.

The Branch administers statutes and regulations related to several areas including: beekeeping; pesticide dealer and applicator licensing; weed control; and horticulture. Direct support is also provided under the Environment Act regulation that involves controlling crop residue burning. Soils and Crops also supports the delivery of agricultural research and sustainability programs and participates in federal-provincial cost-shared programs designed to assist in the development of irrigation infrastructure.

The Branch is comprised of five sections: Apiculture and Crop Diagnostics, Agricultural Resources, Crop Diversification, Crop Development, and Soils and Crops Programs. All sections are extensively involved in the investigation and demonstration of new crop market opportunities and production practices. Technical information is disseminated through publications, news releases, the Internet, and local grower meetings.

The Branch achieved the following results in 2001/2002:

Apiculture and Crop Diagnostics

The Branch administered the *Manitoba Bee Act*, with staff coordinating the Honey Bee Disease Inspection and Control Program. Staff inspected 4,692 honey bee colonies for American and European foulbrood diseases. The Branch collected and analyzed 456 bee samples for the presence of the honey bee tracheal mite. The Branch also sampled 243 honey bee operations throughout the province for the presence of the Varroa mite.

Apiculture Section staff participated in 30 extension meetings. The Section provided industry updates and information on honey bee and leafcutting bee management to producers. Staff also attended, as technical advisors, Board of Director meetings for the Manitoba Beekeepers' Association, the Red River Apiarists' Association, and the Manitoba Forage Seed Associations. Contributions were made to three issues of both the *Manitoba Beekeeper* and *Forage Seed Update* newsletters, which were distributed to approximately 2,000 individuals. In addition, staff taught an evening course in beekeeping at the University of Manitoba.

At the request of the Manitoba Forage Seed Association, Manitoba Agriculture and Food implemented a pilot chalkbrood inspection program of leafcutting bee producers during the spring of 2001. Two inspectors were hired to conduct the survey resulting in a total of 70 leafcutting bee outfits being sampled. In addition, the Section conducted a chalkbrood survey of feral bees using about 110 trap nests.

Through research, demonstration, and extension, staff continued to develop information related to understanding the economic benefits that result from the pollination of commercial crops by bees.

Staff conducted two research trials related to leafcutting bee management. These research trials included: improved equipment and cell fumigation procedures to ensure operator safety; and evaluation of field shelter design related to pollination performance.

In 2001, licenses were issued to 1,383 applicators and 585 dealers under *The Pesticides and Fertilizers Control Act.* Pesticide dealers and custom pesticide applicators are required to qualify for licensing by completing provincially approved certification courses. In addition, applicators must comply with the Act's insurance requirement before they are issued a license.

The Crop Diagnostic Centre served farmers and agri-business by analyzing 1,095 agricultural and 105 non-agricultural samples. There were 135 weed samples and 60 insect samples submitted for identification in 2001.

Agricultural Resources

Agricultural Resources Section staff participated in the delivery of the fourth year of programming under the Manitoba Agricultural Sustainability Initiative – Covering New Ground. Staff responsibilities associated with Covering New Ground included: coordination of provincial, regional, and crop diversification centre projects; provision of technical assistance to regional staff; local delivery organizations; producer groups; conservation districts; and environmental agencies.

Inter-provincial liaisons and information sharing between Manitoba, Saskatchewan, Alberta, and British Columbia was accomplished through staff participation on the Western Coordinating Committee on Environmentally Sustainable Agriculture.

Representation is provided to the Canada Committee on Natural Resources, which provides Manitoba's perspective on agricultural sustainability issues, including climate change.

Section staff were responsible for the planning and delivery of their own field programs which included Covering New Ground projects and providing training and technical information to producers, as well as central and regional staff. Field programming involved activities related to manure management and soil and land management, including reduced tillage.

Agricultural Resources staff supported, and were involved in: the delivery of the Surplus Water Irrigation Initiative; technical reviews of proposals associated with livestock industry expansion; Manitoba Rural Background Water Quality Initiative; Livestock Sustainability Initiative; Manitoba Zero Tillage Research Farm; the Association of Irrigators in Manitoba (AIM); Regional Irrigation Associations; and Capital Region Review and the Planning Act Review.

The Section assisted with an irrigation support program for new irrigators that included the assessment of soils and water for irrigation suitability.

Staff coordinated the Crop Residue Burning Authorization Program, established under the Burning of Crop Residue and Non-Crop Herbage Regulation.

A detailed soil inventory project in the Rural Municipalities of Springfield, Tache, and Ritchot continued. A final report on the detailed soil survey of the RM of South Cypress is near completion. Work is progressing to develop a complete soil resource inventory package for the Assiniboine Delta Aquifier.

The Agrometeorology Program continued to make progress in the development of computer based real-time agricultural weather information packages in support of the delivery of information through the Agrometeorological Centre of Excellence (ACE). Significant input was provided towards the establishment of a real-time agricultural weather network for Manitoba. The network is designed to facilitate the development of practical weather based products including

real-time on farm decision support programs on a co-operative basis with various levels of government departments, crown corporations, industry, and producers for delivery by ACE.

In the area of agricultural land utilization, staff provided input and reviews for more than 250 projects and proposals associated with the environment, highways, rural gas and water line installations, gas and oil pipelines, hydroelectric transmission line routings, municipal by-laws, development plans, and zoning by-laws. A specific focus included planning issues related to the expansion of the livestock industry.

Crop Diversification

Staff evaluated innovations in pest management, irrigation, product quality, and new crop development. Saskatoons, sea buckthorn, hemp, corn, buckwheat, medicinals, aromatic plants, spices, essential oils, and oriental vegetables were among the new crops under development. Two saskatoon/chokecherry trials were continued in co-operation with the Parkland Crop Diversification Foundation. Demonstration orchards and strawberry trials continued in conjunction with the Agriculture and Agri Food Research Station in Morden.

The potato industry is expanding and staff are working with producers and industry on a variety of issues which pertain to the potato industry. Crop Diversification Section staff were involved in the development and assessment of the Environment Act proposal regarding the J.R. Simplot Plant being constructed in Portage la Prairie.

Crop Diversification Section staff organized the Horticulture Production Days technology transfer program on fruit, potato, and vegetable crop production.

A variety of newsletters were produced in co-operation with industry partners. These included: Potato Newsletters in conjunction with Manitoba Potato Council and Manitoba Crop Diversification Centre; The Prairie Fruit Grower in conjunction with the Prairie Fruit Growers Association; Sachets Newsletter in conjunction with the Medicinal and Aromatic Plant Association of Manitoba; The Groat in conjunction with the Manitoba Buckwheat Growers Association; and a Corn Variety Brochure with the Manitoba Corn Growers Association.

For the 2001 growing season, 14 weekly Vegetable Reports were issued. These reports offered growers timely information on insects, diseases, and general production information. They were distributed to major commercial vegetable growers and Agricultural Representatives, and were posted on the Manitoba Agriculture and Food Website.

A number of fact sheets and booklets were made available on the Department's Internet site as free production information. As well, the *Guide to Fruit Crop Protection and Production* and the *Fruit Crop Insect Guide* were made available on the site for purchase, and chemical label information was also included with the purchase of these materials. Also, an addendum to the *Fruit Guide* that featured changes to pesticides was completed.

Two fact sheets on Oriental Vegetable Production, concerning Bok Choy and Oriental Cabbage, and four fact sheets on greenhouse production were produced.

The late blight of potato disease forecasting program provided disease risk information and management recommendations to potato growers. Information was available on the website and the 1-800 potato hotline.

For the second year, an emergency registration of Quadris fungicide for use on potatoes was requested and received by staff, in response to disease risk conditions concerning the potato crop.

The Manitoba Oriental Vegetable Production and Marketing Evaluation Project was conducted for the fifth year. This project is working towards the commercialization of oriental vegetable production in Manitoba. Over 100 crop varieties were grown in test plots at the Manitoba Crop Diversification Centre (MCDC) in Portage la Prairie, and as a result of these trials, interest in oriental vegetable production has increased. In 2001 over 100 acres of oriental vegetables were grown commercially, and a group of producers in the Selkirk area began commercial production. Some of the vegetables included in this project are bok choy, rapa cabbage, Gai Lon, oriental cucumber, oriental sno-peas, miniature corn, white zucchini, and oriental melon.

Staff provided agronomic information on hemp through research trials, fact sheets, extension work, and direct contact with growers. An insect pest survey on hemp was conducted to determine potential pests which could harm crops.

Information was provided by staff on corn and buckwheat, through tours, research trials, and fact sheets to assist farmers achieve optimum returns. Programs were initiated to monitor European corn borer utilizing pheromone traps, and new technology using light traps were evaluated. Progress was made in comprehending the Lygus bug problem in Buckwheat. Staff collaborated with the Manitoba Corn Growers Association on a research trial to refine the growth of corn as corn heat units are accumulated.

In 2001 an extensive herbicide-screening program was undertaken. Twenty-three herbicides were tested on 17 seedling forage crops and 28 herbicides were tested on six established forage seed crops. Data collected from these trials will be used to support minor use herbicide registration.

Crop Development

The Crop Development Section, in co-operation with the Manitoba Crop Variety Evaluation Team, coordinated the 2001/2002 Variety Evaluation Program. This program consisted of 19 test sites (of which five sites were entirely funded and conducted by the industry, five were funded partially by grower groups, and nine were conducted by private companies). Most test sites contained between 125 and 165 varieties of cereals, oilseeds, and special crops. Project contractors included Ag-Quest Inc., AgriProgress, ICMS Inc., and Agriculture and Agri-Food Canada.

Section staff, in co-operation with regional staff and the Manitoba Forage Seed Association assisted with the 2001/2002 Forage Variety Evaluation Program consisting of three full test sites. Evaluation of 320 varieties of 11 forage species was conducted for forage and/or seed production potential. The Section also coordinated variety testing programs for sunflowers resulting in the registration of several new sunflower hybrids.

Varietal performance data was published in *Seed Manitoba*, with 23,000 copies distributed by means of the Manitoba Co-operator, in co-operation with the Manitoba Seed Growers Association. There were 25 issues of the *Manitoba Crop Report* published which provided timely information on seeding and harvest progress and various crop pest and fertility issues. These publications were prepared in co-operation with regional staff and were distributed electronically to media outlets.

Several major extension publications were created, revised, and distributed, including 8,500 copies of the *Guide to Crop Protection*. Other technical publications consisted of 130 e-bulletins, magazine articles, and fact sheets on a range of crop production issues.

Staff provided significant input to published estimates of Cost of Production for Crops. The Entomologist issued 16 insect updates in electronic form during the growing season to assist producers, Agricultural Representatives, and industry in keeping abreast of insect pest development.

Several major training events involving staff assistance and development were held, such as the annual Grazing School, Manitoba Agronomists' Conference, and the Ag Days technical program. Regional staff received training and updates in a variety of crop production issues during two one-day training workshops conducted by the Section. Staff developed and delivered crop diagnostic training schools in co-operation with the University of Manitoba. A two-week summer school program was delivered to 500 industry agronomists, farmers, and department staff. A pulse crop school was held at Carman in co-operation with the University of Manitoba and Manitoba Pulse Growers.

Several field activities involving staff occurred including: monitoring five multi-year pasture fertility demonstration sites across Manitoba and conducting province-wide surveys of insect pests with the assistance of Agriculture Representatives. Prairie-wide insect surveys were conducted in co-operation with other agriculture departments. The Section co-operated with the University of Manitoba and Agriculture and Agri-Food Canada in conducting field trials to evaluate the economics of crop inputs for canola.

Narrow-row edible bean trials were conducted at six locations. Replacements for lindane-based canola seed treatments were tested in field evaluations at five locations. Field testing of soybean was conducted at nine locations. The Section, in co-operation with regional staff and the Manitoba Forage Council, implemented the Manitoba Hay Certification Program and a hay listing service. Results from all field activities were extended to growers and the industry.

In organic agriculture, two fact sheets on organic weed control and crop nutrition were produced under the direction of the Organic Agriculture Specialist.

Staff coordinated the emergency registration of Folicur fungicide for use in controlling Fusarium Head Blight in cereal crops.

Section staff provided support to numerous organizations including: Manitoba Pulse Growers; National Sunflower Association; Manitoba Canola Growers; Canola Council of Canada; Flax Council of Canada; Manitoba-North Dakota Zero Tillage Farmers; Manitoba Zero Tillage Research Association; Manitoba Seed Growers; Canadian Seed Growers; Pesticide Free Production Canada; Organic Producers Association of Manitoba; and Manitoba Forage Council. There were approximately 50 reports sent to grower/industry organizations that related to a range of crop production issues. Support was provided to the Marketing and Farm Business Management Branch in the area of pulse and hay market development. Staff provided department input at the national level for the Federal/Provincial Work Group on the Life Science Economy, and to the Canadian Agri-Food Research Council. The Fertility Specialist supported the delivery of the Certified Crop Advisor program in Western Canada.

Weather-based crop disease forecasts for Sclerotinia disease in canola and Fusarium Head Blight disease in wheat were prepared and delivered on the Internet and in farm newspapers. Maps depicting disease pressure were produced with the Agriculture Resources Section and grower industry organizations. Models used in these forecasts were improved through efforts of the Plant Pathologist.

Staff conducted 140 technical presentations before 6,000 growers and 1,500 industry agronomists. These presentations provided information regarding cereal, oilseed, pulse crop, alternative crop, forage, pasture, and seed production. In addition, staff responded to 3,000 telephone and e-mail enquiries from producers, agricultural representatives, and industry

agronomists with agronomic recommendations. Section staff were cited in 150 radio, television, and print items as a result of interviews on a range of crop production topics.

Soils and Crops Programs

The Soils and Crops Programs Section addresses agri-food issues in biotechnology, nutraceuticals, and functional foods, and administers both the Agri-Food Research and Development Initiative (ARDI) and Covering New Ground programs.

A Biotechnology Working Group was established to develop recommendations with respect to biotechnology, coordinate staff training, facilitate the development of extension programming, and to support activities in consumer information and labelling.

Staff actively support the network of expertise in nutraceuticals and functional foods, including the National Centre for Agri-Food Research in Medicine. Agronomic production practices, the identification and preservation of active ingredients, and the clinical trials to support the effective use of nutraceuticals are all key elements in further seizing opportunities involving nutraceuticals and functional foods.

A working group on Nutraceuticals and Functional Foods was established to develop a vision and plan for nutraceuticals and functional foods in Manitoba. Activities of the working group will include compiling current research and extension activities in Manitoba, assessing the overall capability of this industry sector, reviewing regulatory requirements for market access, recommending priorities for research and clinical trials, and agronomic investigations. In addition, grower co-operatives and other strategic partnerships will be encouraged to ensure local processors and manufacturers have the needed resources, can be price competitive, and ensure batch standardization to meet world market demands. Consultation with other government departments and industry to assess overall capacity and interest will be ongoing.

4 (d) Soils and Crops

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,782.2	54.12	3,008.9	(226.7)	
(2) Other Expenditures	975.0		1,065.6	(90.6)	
TOTAL EXPENDITURES	3,757.2	54.12	4,074.5	(317.3)	

Irrigation Development (4e)

Soils and Crops Branch staff were involved in the negotiations with federal government representatives towards a federal commitment to the Surplus Water Irrigation Initiative, resulting in an agreement between the province and the federal government in 1997. This program offers assistance to irrigation associations and other organizations in planning and developing sustainable irrigation projects in Manitoba.

A total of 25 infrastructure projects were approved that will support 12,917 irrigated acres. Five of these 25 projects were approved in 2001/2002, with payments being made on all projects.

There were three area management projects funded that assisted local irrigation associations in the development of infrastructure proposals and project management.

Three applied research, demonstration, and technology transfer projects received funding. These projects examined: late blight forecasting; real-time irrigation scheduling and water management; and an irrigation survey.

Staff were involved in discussions with Prairie Farm Rehabilitation Administration (PFRA), irrigation associations, commodity groups, processors, and other stake holders to develop a new and expanded irrigation development program to follow the Surplus Water Irrigation Initiative when it terminated on March 31, 2002.

4 (e) Irrigation Development

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	567.9		1,572.5	(1,004.6)	1
TOTAL EXPENDITURES	567.9		1,572.5	(1,004.6)	

1 *The variance under authority was due to a) project delays in designing and obtaining licenses and b) fewer projects submitted than expected due to the anticipation of a new infrastructure support program.*

Food Development Centre 4(f)

The Food Development Centre (FDC) provided leadership in the creation, expansion, and diversification of the agri-food industry through industry networks and expertise in food processing.

During 2001/2002, FDC received approval of its strategic plan that will initiate the repositioning of the Centre within the food processing industry. This $10.9 million investment will result in the refurbishment of its facility to meet Canadian Food Inspection Agency standards, the purchase of leading edge technology, and the partnering with Great Plains Aseptic Processors to bring a unique liquid food research and development, and commercial packaging facility to Manitoba.

In conjunction with its strategic partners, FDC facilitated the development of 13 new products, and assisted in the creation of 10 new employment opportunities that are expected to contribute $1,090,000 in GDP and $99,000 in provincial taxes over a five-year period.

To support industry, FDC trained 540 Manitobans at leading edge technical seminars.

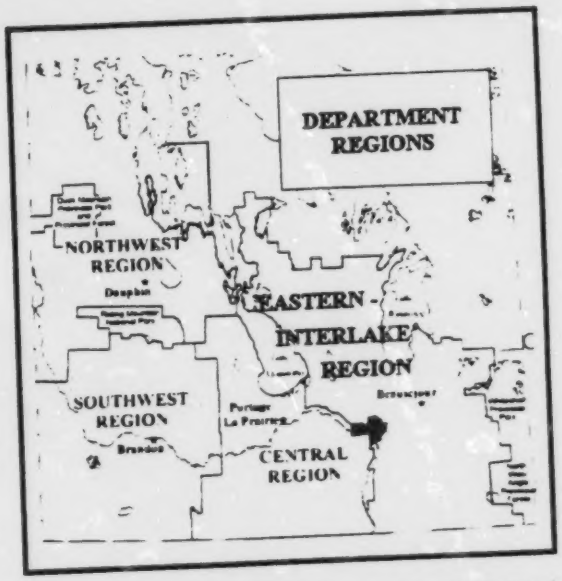
FDC is a Special Operating Agency and the 2001/2002 activities, financial data, and performance measurements are detailed in FDC's Annual Report.

4 (f) Food Development Centre

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	1,321.5		1,321.5	-	
TOTAL EXPENDITURES	1,321.5		1,321.5	-	

Regional Agricultural Services (5)

The Regional Agricultural Services Division provides the front-line delivery of Manitoba Agriculture and Food programs. This Division, as an agent of change through technology transfer, aims to enhance the viability of family farms and to improve living standards in rural communities. It also administers Agricultural Crown lands.



There are four regional offices and 40 district offices served by a staff of Agricultural Representatives, Home Economists, Crop and Livestock Specialists, Engineers and Farm Management Advisers. These staff provide services aimed at helping farm families to increase their incomes, primarily through enhanced farm management skills and production practices.

Regional staff facilitate bringing various strategic partners (such as producers, consumers, government, financial and scientific communities, processors and marketers) together to develop and expand value-added activity and diversification in Manitoba. Moreover, staff assist producers and processors increase sales of primary and processed products to domestic and international markets.

The regions assist in the development of rural leadership by providing support to local 4-H and Youth programs. Regional and district staff help ensure the success of 4-H by organizing workshops for club officers, public speaking training, competitions, rallies, member exchange programs and livestock shows. In addition, staff work with community improvement and economic development groups to build a more promising future for rural youth.

Regional staff work towards improving the well-being of the farm family. Staff activities involve promoting a better understanding of nutrition, food safety and sound financial management.

The regions are involved in extension education and participate in the planning and delivery of agricultural training in conjunction with Assiniboine Community College. Staff make extensive use of producer newsletters, local news columns and local broadcast media to reach farm families. Demonstrations, producer clubs, individual counseling and production planning services are used to promote better farming practices and management. All of these activities are carried out in accordance with specific Department strategies for beef, hogs, crops, forage, farm management, soil and water conservation, home economics, human resources and 4-H.

The Division is also responsible for effectively administering the leasing of Crown land designated for agricultural production and to improve the productivity of this land through improved management techniques.

Northwest Region (5a)

Farm Management

Regional staff made 2,972 general contacts and 1,927 intensive contacts on farm management subjects during the 2001/2002 fiscal year. Intensive contacts involved management counselling with 148 farm families.

Regional staff held 12 informational meetings with four *Project 2000* groups. Meetings focussed on specialized training and information transfer for farm families involved in the farm transfer process. This interest was the result of The Bridging Generations Initiative. There were 31 families actively participating in the initial stage of this program. Follow up with these families by Regional staff is to begin in the fall of 2002 to facilitate the farm transfer process.

Agri-Ventures

Value-added and diversification initiatives were part of 76 events involving 2,594 clients. Events included seminars, conferences, trade shows, and tours where participants explored new technology and new market opportunities. There were seven special projects, involving funding-in-progress, with the Manitoba Agri-Ventures Initiatives Program. Staff facilitated group processes and business planning directed towards the development of meat and food processing, new livestock, crop and forage production and processing, agri-tourism, and community development. These initiatives continued to be supported through the integrated services of Intergovernmental Affairs, Industry, Trade and Mines, Agriculture and Food, and local development agencies.

Crop Production Enhancement

Crop production assistance was provided through 7,314 general contacts and 2,143 intensive contacts. The Parkland Crop Diversification Foundation (PCDF) has become an effective tool in evaluating and demonstrating new crops, diversification options, and production. Industrial hemp production created a large amount of interest in the Region. Approximately 1,100 acres of hemp was grown in Manitoba with two-thirds grown in the Northwest Region. Hemp marketing and processing options were extensively explored by the Parkland Industrial Hemp Growers Co-op Limited. Planning to support construction of a fibre processing facility that will require 25,000 acres of hemp per year is proceeding.

Technology transfer continued through extension efforts in field days, tours, farm family seminars, clubs, and one-to-one contacts.

Forage production and management within the Region has become one of the top priorities of producers. There was considerable interest in intensive grazing management for all classes of livestock, including cattle, sheep, goats, and bison. Setting up rotational grazing systems, and the use of annuals for pasture production systems and stockpiling, has evolved into a chief priority area for the majority of forage producers with livestock.

The timothy hay industry continued to expand due to the location of the compacting plant within the Region and the demand for Manitoba's timothy hay in Japan and Korea. The plant is currently at 15,000 tonnes with expectations of 25,000 tonnes for next year. Hay sales across the region were up this year due to the shortage of hay within Manitoba, neighbouring provinces, and the United States.

The Parkland Crop Diversification Foundation facilitated six forage demonstrations in 2001. An annual forage variety trial was evaluated and tested on a provincial basis. The Western Forage Variety Testing site was set up within the Northwest Region this year and forage related topics were discussed at 12 seminars involving 1,064 producers. Forage production assistance was provided through 3,012 general contacts and 1,020 intensive contacts.

Livestock Production Enhancement

Livestock technology information was provided to farm clients through 4,976 general and 1,593 intensive contacts. There were 21 livestock group meetings with an attendance of 1,190 producers. Regional staff worked with two feeder associations, 4-H groups, community agricultural societies, and local veterinary service boards. One bovine artificial insemination course was held with 10 producers in attendance. Five producer sessions were held where presentations were given on pasture and livestock management, water, and manure management. Regional staff formulated 595 rations for regional beef, swine, dairy, sheep, goat, and bison producers. Three bovine tuberculosis informational meetings were held in the region to inform cattle producers of the issues and concerns in tuberculosis control.

The regional pork team held informational meetings on intensive livestock siting guidelines and regulations for rural municipal councillors at three locations with a total attendance of 73 councillors and administrators.

Ten swine investment meetings were held with 95 participants. A Manure Management Tour was held with 23 people in attendance. The Maple Leaf and Springhill processing plants announced that there would be a deduction for swine producers who were not validated in the Quality Assurance Program. As a result of the announcement, 10 Canadian Quality Assurance meetings were held. There were five intensive livestock development open-house meetings held for the public with a number of participants in attendance at each meeting.

Over the past year, four 2,000 head gilt development barns, one 1,600 head sow barn, three 2,000 head finisher barns, and four 2,500 head isowean barns were constructed in the region. Expansion is expected to continue in the upcoming year.

4-H and Youth

In 2001/2002 the Northwest Region had a 4-H membership of 815 members taking 975 projects with 361 leaders teaching 451 project groups. The most popular projects continued to be equine, beef, and crafts. There were 9,194 general contacts and 1,515 intensive contacts made to support the Northwest 4-H program.

Staff worked with volunteers from the Regional Council, five district councils, and 40 clubs to organize events to support leaders, maintain member interest, and promote the 4-H program in the community. These events included leader/senior member appreciation evenings, officer workshops, bonspiels, inter-club beef shows, communication competitions and achievements, as well as training events for leaders and members.

District staff supported provincial activities by serving on planning committees and acting as chaperones. The Regional Specialist was responsible for the provincial equine program and its activities including the Young Horse Development Project in co-operation with Manitoba Equine Ranching Association (MERA) and North American Equine Ranching Information Council (NAERIC).

Volunteer leaders and staff in the Region utilized the Quality Equation resource binder. The third annual Provincial Leader Conference was held in November 2001 in Russell with the focus being Quality People. Two Regional staff members made presentations at this conference. The hospitality committee was composed of staff and volunteers from Russell and Roblin.

Three hundred and sixty grade five and six students from nine schools in the Parkland area, along with teachers and parents, participated in *Rural Safety...It's Everyone's Business* at the Dauphin Agricultural Society's Challenges of Production Farm Family Seminar. Students were invited to participate in a post-tour mural contest with the entries displayed in the provincial building in Dauphin.

Soil and Water Conservation

Staff worked with six local soil management groups and six water conservation districts to provide assistance for sustainability. This involved 2,774 general contacts and 308 intensive consultations. Groups initiated 19 different projects under the Covering New Ground Program. The majority of the work was related to forage production and pasture management and included rotational, swath and complementary grazing, pasture renovation practices, and quality testing. Funding was also directed to demonstrating methods to provide clean water to livestock, while protecting water quality. Crop projects included demonstrations for new crops as well as numerous crop and pest management field days. The Parkland Crop Diversification Foundation carried out the majority of the crop diversification projects across the Northwest Region.

Manitoba Agriculture and Food is involved in many activities focussing on water quality in the region. Included in these activities are three watershed studies and various demonstrations. The three watersheds are the Swan Lake Basin, the Shell River, and the Valley River. In each of the watersheds the process is at a different stage. The Swan Lake Basin Technical Advisory Board completed a technical report which is being presented to the stakeholders. No evaluation of the basin has taken place at the ground level. The Shell River Watershed Quality Board found that cattle are a significant issue along the river, and are now initiating demonstrations to show best management practices to reduce livestock impact. The recently formed Valley River Watershed Board hired a consultant to begin the evaluation of the river.

Funds from the Livestock Stewardship Initiative were used to support the development of a runoff control project for a feedlot operation, and to develop a display showing pasture watering options to protect the riparian zone.

The Region now has a riparian health council working committee, which brings Manitoba Cattle Producers Association, conservation agencies, and Manitoba Agriculture and Food together to tackle issues related to the impact of the beef industry on water quality. This council will assist the progress in the Region towards the adoption of environmental practices by the beef industry.

Home Economics and Human Resource Management

Home Economists focussed on diversification and adding value, with an emphasis on developing strategic alliances to enhance the development of value-added activities. There was also an emphasis on leadership development and life-long learning, as well as agriculture awareness and farm safety.

The two-day Direct Farm Marketing Conference that focussed on *Marketing...Keeping the Lights on in Rural Manitoba* reached over 100 participants. Topics included branded products, regional cuisine, and farmers' market exchange. Farmers' markets continued to provide a direct marketing opportunity for vendors in Swan River, Dauphin, and Roblin. There was excellent community

support and partnering with agricultural societies. The farmers' market was found to be an excellent way to "test" a business idea.

Home Economists partnered with Parkland Tourism to plan, organize, and promote the *Taste Bud Tour*. This tour was in the Dauphin/Ste. Rose/Riding Mountain area and showcased regional cuisine and tourism potential in the area, providing an opportunity for tour operators/tourism personnel and producers to learn how they can work together to provide a variety of value-added products.

Home Economists worked closely with the Swan Valley Enterprise Centre, various economic development groups, and other agencies to provide diversification, value-added, and marketing information.

The safety and quality of the food supply and the importance of agriculture to the provincial economy were both focusses of consumer and agricultural awareness. Displays at Spring Market Fest and Beef and Barley Days, as well as community events, worked to bring a better understanding of agriculture to the non-farming public.

Farm safety was the focus of a two-day Farm Safety Day Initiative in Swan Valley. In partnership with the school division, the Agricultural Society, Manitoba Pork, and the 4-H district council, over 1,100 children and adults learned farm safety through a variety of interactive displays and activities. A Farm Safety Day Camp was held on a farm near Inglis and reached 120 school children, while farm safety was featured at a Junior Fun Event that included 73 students in the Dauphin area.

Food safety initiatives included the development of a display, radio reports, and presentations. A FoodSTEPS course was successfully held in Dauphin for six entrepreneurs.

Home Economists worked in developing leadership skills in youth and adults. Support was provided to 4-H members and leaders through a variety of activities, including 1,253 general contacts, 292 in-depth contacts, and many group activities. Home Economists worked with wellness groups, Women's Institute groups, in the promotion and maintenance of healthy community groups, and with various inter-agency groups to build leadership skills. Rebuilding Rural Communities was a successful program held in the Inglis area. Also, a wellness workshop was held in Swan River with 170 attending. Support was provided to Project 2000 groups in the region and various meetings were held. In total there were 4,391 general contacts and 877 intensive Home Economics contacts.

Manitoba Crop Insurance

Northwest Region staff allocated approximately five percent of their time to the Manitoba Crop Insurance Program. In addition to detailed program explanations, staff involvement included Seeded Acreage Reports, Final Production Reports, and Confirmation Reports.

Agricultural Crown Lands

Four Land Representatives monitored and administered 902,812 acres of agricultural Crown land, representing 908 forage lease holders. In addition, 16 cropping leases, 11 casual hay/grazing permits, and 84 renewable hay/grazing permits were issued.

Staff were involved with eight ongoing projects with lessees to demonstrate the integration of range management principles into their ranching practices. The Garland Project with Louisiana-Pacific Canada Ltd., Agriculture and Agri-Food Canada, Manitoba Agriculture and Food, and the

Rural Municipality of Ethelbert continued to research proper stocking rates for optimum productivity on logged-over areas encouraging grass production and the recovery of woody vegetation for future logging.

5 (a) Northwest Region

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,295.1	45.79	2,326.4	(31.3)	
(2) Other Expenditures	832.0		860.5	(28.5)	
TOTAL EXPENDITURES	3,127.1	45.79	3,186.9	(59.8)	

Southwest Region (5b)

Farm Management

In 2001/2002, staff made 5,898 individual general contacts and 1,402 individual in-depth consultations.

The major demand on farm management services continued to be financial counselling. Farm Management Specialists focussed mainly on debt restructuring, mediation services, farm transfer inquiries, production cost analyses, budgeting, record keeping questions, business agreements/requests from producers/bankers, credit reviews, and business financial analyses.

Project 2000 training seminars were a major program activity. Producers attended a series of seminars to learn business planning and analysis using FarmPlan, a computerized farm analysis program developed by the Farm Management section. In the Southwest Region there were a total of 14 seminars held at four locations, with a total of 164 participants.

Group and individual counselling also continued in the area of marketing, including involvement with four grain marketing clubs and seven beef marketing clubs. Pasture management and costs of grazing, as well as cattle backgrounding questions, dominated livestock inquiries.

Computers, the Net Income Stabilization Account (NISA), questions about Enhanced Crop Insurance (ECI), and the Canadian Farm Income Program (CFIP) occupied considerable staff time in the Farm Management area. Farm Management Specialists answered many inquiries on leasing agreements such as crop and custom work arrangements, and on estate planning and farm business structures.

The Farm Management Section developed various resource publications and computer programs for distribution to producers and field staff. CropPlan, a new software program, was released and a number of producers have shown interest in this program.

Value-added and diversification inquiries continued from local community Economic Development Boards and producer associations. These inquiries covered such areas as the feasibility and economics of agricultural processing, non-traditional crops and livestock, large livestock operations, and agri-tourism.

Crop Production Enhancement

In 2001 most producers achieved slightly above average production, an increase from the previous year. Some areas in the Region had production issues related to drought, however, impacts started later in the growing season and had little effect on yield.

Crop diseases played a major role in the production of cereal and oilseed crops. Fusarium Head Blight still remained the major cereal crop disease. Very few producers were able to receive malting grade for barley and most wheat was downgraded because of the high level of fusarium. Extension work centered on methods to reduce the severity of infection. Canola continued to be the most profitable crop even though producers saw a decrease in price. Increased Sclerotinia pressure reduced yields. Interest in winter wheat increased and yields were above average and of good quality, as early flowering avoided the fusarium infection period.

Dry beans are a new crop for the Region and interest among producers is increasing. Yields were average to above average, and the prices were good, which made dry beans a profitable crop to grow. Both silage and grain corn are on the increase as there are more varieties suited to growing in the area and an increase in livestock.

Forage extension focussed on production and marketing of high quality hay products and pasture production. Activities included species selection, forage establishment, fertilizer management, hay quality assessment, export marketing, high tensile fencing, and pasture management systems and design. Information was distributed through demonstration sites, workshops, seminars, fact sheets, and the Pasture School.

The Souris Valley Irrigation Centre was involved in many activities in 2001/2002. The focus was the promotion of crop diversification through irrigation and dry land production. There was production of potatoes and forages under irrigation, and demonstrations on new crops such as dry beans, chickpeas, and corn. A new organization to promote agricultural diversification was initiated.

Staff made 13,507 general contacts and 1,285 in-depth consultations. Staff attended 247 meetings, tours, and field days.

Livestock Production Enhancement

Staff increased their involvement working with livestock producers to develop rations and advise on utilizing alternate opportunity feed. Staff involvement included nutrition work with cow-calf, backgrounding and feedlot operations on a one-to-one basis, as well as through workshops and public meetings. The Region continued to work with producers on genetic education programs, primarily through bull test stations, herd health programs, and facility design for existing and new operations.

Staff were involved with producers on the expansion phase of the backgrounding and feedlot industries, in the development of site design, feeding management plans, budgets, and market potential. As well, staff were active in the promotion of beef quality assurance through individual contacts and the mass media.

Staff conducted cattle feeder schools due to the increased interest in livestock feeding. More emphasis was placed on the environmental sustainability issues, in particular confined livestock feeding, as well as issues relating to animal handling and well being.

Staff continued their work with the sheep and goat producers by assisting in ration balancing. A series of four sheep production meetings were held in the spring. Also, a more intensive one-day session was held. The number of sheep and goat farms increased in the region. However, the flock size remained relatively small.

There were six manure/nutrient management meetings held in the Region with approximately 90 to 100 producers in attendance. These meetings communicated to producers their responsibilities in nutrient management.

Technical reviews were completed for 10 swine projects, two beef operations, and one beef and PMU operation. One swine project was rejected by the RM Council. The approved hog barns accounted for 9,200 new sow spaces, 30,000 feeder spaces, and 10,000 nursery spaces. Staff participated in a number of livestock public meetings as well as several conditional use hearings for livestock operations. Five new producers were registered in the Pork Quality Assurance Program.

Staff made 10,235 general contacts and 24,061 in-depth contacts, to provide for technical livestock consultation. Staff also participated in 132 meetings, tours, and field days.

4-H and Youth

In 2001/2002 the Southwest Region's 4-H membership included 1,333 members and 593 4-H leaders participating in 74 clubs. Initiatives in the Region's 4-H program continued in the areas of: enhancing rural leadership; providing training and opportunities in communication; leadership and meeting management; agriculture awareness; and promoting the 4-H program.

The Regional 4-H Council and the 4-H & Youth Specialist, in co-operation with strategic partners, organized a Regional Communications event for 80 young people. Other 4-H events included: Intermediate Activity Day – Pik-a-Day with 4-H for 53 members; an opportunity to experience camp for 41 members; and 19 members participated in livestock judging and a 4-H Regional Scholarship. A one day Leadership Challenge attracted 13 senior members. The Regional 4-H Specialist and the Southwest Home Economists offered "Help is On the Way" workshops for leaders in the region. Eleven members applied for 4-H travel opportunities by completing a 4-H Career Portfolio and an interview.

The Southwest Regional Council developed a Senior Member Retention Task Force. The task force gathered data and compiled a series of recommendations, from which Regional Council developed a strategic plan. The goal is to retain 50 percent of members from the ages of nine to 17 by the 2006/2007 4-H year. The priority areas are enhancing project experiences and increasing program flexibility.

The 4-H program's support of Ag Awareness initiatives was greatly enhanced by partnering with Agriculture in the Classroom – Manitoba, Western Region Subcommittee and Provincial Exhibition Agriculture Education Committee. The council has recently developed the position of Agriculture Awareness Representative. The Southwest 4-H Council hosted a Quality Equation theme display at Livestock Expo, worked as greeters at the Royal Manitoba Winter Fair "Thru the Farm Gate", and are serving on the planning committee for the "Amazing Grains" program in the Westman region.

The Region supported the Quality Equation driven Livestock Education System by having two beef clubs pilot the program. Southwest Light Horse and Pony Association was active in coordinating a Regional 4-H Horse Show with 40 riders. The show also hosted a non-competitive novice training component to encourage participation.

Eleven district councils, in co-operation with Manitoba Agriculture and Food District staff, organized rallies, fun days, inter-club shows, and appropriate training sessions for members and leaders.

Soil and Water Conservation

There were 18 Local Delivery Groups that received funding for 25 projects as well as four direct delivery projects within the Southwest Region, delivered through the Covering New Ground Program.

A number of projects examined forage production within the region. One project examined 403 forage and feed grain samples from 157 livestock producers. Follow-up with producers enabled a balanced ration to be formulated specifically suited to their needs. The stockpile forage quality-testing project examined feed quality of stockpiled forages during the fall and winter months, which included 23 forage species at four locations. One project organized four grazing clubs throughout the region to improve grass and riparian management. Another project investigated and demonstrated the use of glyphosate as a harvest aid for greenfeed.

A project demonstrating the use of straw covers for odour control on earthen manure storage facilities was completed. The project was successful in controlling odours and the practice is

currently being adopted by other livestock producers. Another project investigated the use of hog manure as a nutrient source for forage crops.

Two projects addressed water quality issues. One project monitored surface water quality prior to, and following, the delivery of an off-site watering system. The group that conducted this project also sampled community wells and had samples analyzed for water quality. Another group worked with Grade 11 students to develop a sampling project within a watershed. The purpose of the project was to examine how the impacts within the watershed affected the quality of the water. Another group designed and demonstrated a reliable winter watering system that would facilitate winter pasture grazing.

Leafy Spurge issues were the focus of two projects within the region. One project demonstrated increased forage production through bio-control techniques for the prevention of the spread of Leafy Spurge, a noxious weed. Another project encouraged producers, through site education, to pursue various forms of Integrated Pest Management practices for the control of Leafy Spurge. Another group project developed a comparative energy and carbon emission budget for grain based ethanol, straw fibre based ethanol, and perennial forages such as switchgrass for ethanol production. A field study to determine the variability of crop yield as it related to soil fertility and salinity was carried out by another group. This information was used to delineate areas of high and low production and to establish a baseline for a long-term study of crop production under reduced input systems. Projects also included a communications component comprised of tours, newsletters, seminars, news releases, and workshops. Additional partnerships were formed in most projects to garner additional support from the agricultural industry.

Home Economics and Human Resource Management

The Home Economics program evolved to provide Home Economics services to farm and rural families in the strategic areas outlined in Destination 2010.

Programs carried out under the Farm Profitability route included on-going support to Project 2000. Promotion of the Managing for Success workshops continued with groups forming in several districts. Farm Safety presentations were facilitated to Preschool Wellness Fairs, school groups, and Farm Safety Camps. Presentations at Premarriage Money Management courses and work on the production of the Family Living Cash Flow program were provided.

Under the Sustainability route, two focus areas were 4-H and the Southwest Farm Women's Network. Executive training and communications workshops were delivered to 4-H members in the region. "Volunteers – A Reason to Celebrate" workshop was held, and it attracted 130 4-H leaders from across the region. Home Economists working with the Southwest Farm Women's Network reached 60 women at their annual seminar *Bye, Bye Winter Blues*. Fifteen steering committee members attended the leadership development workshop.

Home Economists continued to partner with the Network of Community Enterprise Development Centres and the Learning for Life committees to sponsor Lunch and Learn events in several communities.

Home Economists also worked with community groups to build leadership and community capacity. Some of these groups included the Community Development Corporations, Community Enterprise Centres, Healthy Communities Committees, Chamber of Commerce, Women's Institute, Agricultural Societies, farmer's markets, schools, and the Manitoba Farm Women's Conference. Food Safety and Quality were highlighted at displays set up at community events such as Health Fairs and presentations to community groups.

Agri-tourism, one component of Diversification and Adding Value, was explored as an opportunity for diversification. Home Economists worked with agri-tourism associations, the Southwest Farm Women's Network and individuals. Ninety-five people toured various enterprises in the Waskada, Deloraine, and Pierson areas of the region. Seminars were held in co-operation with the Brandon Small Business Week committee. Exploring Alternatives Open Houses in Killarney, Minnedosa, and Hamiota focussed on diversification and value-added enterprises that are operating in the Southwest Region.

The two-day Direct Farm Marketing conference introduced marketing information and skills to 110 participants. "Marketing...Keeping the Lights on in Rural Manitoba" was the theme of the conference and topics included pricing for profit, value-added products, marketing from the middle of anywhere, branded products, and identifying ideas for rural entrepreneurs.

In support of Market Development, a "Basics of Marketing" display was featured at Ag Days, with specific emphasis on market analysis, market strategy and promotion, sales success, and building business connections.

A direct market tour hosting 20 participants visited Virden's Farmers' Market, Glenlochar Kitchens, Raven Creek Farm and Duck Mountain Design, and the region hosted a tour for the Marketing Branch. Locations visited included Clark Hyline Inc., NestiboAgra Inc., Vandaele Seeds, Prairie Land Grain Company, Springland Manufacturing, and Manitoba Starch.

Agriculture Awareness activity included involvement in a "Where's Agriculture?" display in Brandon.

Staff were involved in 280 group meetings involving 7,358 participants. There were 128 news columns, 12 newsletters, 11 radio and television spots, and 48 displays generated. Individual assistance included 4,602 general and 807 in-depth consultations.

Value-Added and Diversification

Staff provided support through individual consultations and by developing programs and projects to further enhance diversification and value-added ventures in the region.

In 2001/2002, the Value-Added and Diversification Program area teams were instrumental in identifying priorities and specific projects for the Southwest Region to focus on.

Due to the number of inquiries from clients about value-added and diversification opportunities, staff from the Southwest Region developed many extension meetings, workshops, and tours including the "Exploring Alternative Enterprises" Open Houses in Killarney, Minnedosa, and Hamiota, the Direct Marketing Tour, and the Introduction to Sheep Production Workshop

The Ag Challenges Newsletter continued to be valuable in reaching approximately 10,000 farmers in the Southwest Region. Diversification and value-added opportunities and related events were highlighted in this newsletter periodically.

The Westman Agricultural Diversification Organization (WADO) and the Souris Valley Irrigation Centre continued to be very important organizations in the Southwest Region. Projects that were implemented included forage and pasture demonstrations, potato evaluations, and crop development projects.

Manitoba Crop Insurance

Southwest Region staff allocated approximately five percent of their time to the Manitoba Crop Insurance Program. In addition to detailed program explanations, staff involvement included Seeded Acreage Reports, Final Production Reports, and Confirmation Reports.

Agricultural Crown Lands

The Crown Land Representatives located in Brandon and Neepawa administered 231,786 acres of agricultural Crown lands including 424 forage leases, 21 cropping leases, and 120 hay or grazing permits. Crown Lands District Offices are responsible for administration of the agricultural use on all Crown lands identified for agricultural production. This includes ensuring land and lessees are in compliance with the Crown lands Act and the Forage Lease contract, setting and collection of all rentals, authorization of all improvements on Crown land, receiving applications for advertised Crown land, and completing both unit and in-family transfer requests.

The land and client information collected was inventoried on the NOVALIS database. The Land Representatives are responsible for entering, updating, and maintaining this information. This system allows Land Representatives the ability to provide timely and accurate information for clients and other departmental staff.

The main focus of the District office's responsibilities is the management and the improvement of the carrying capacity on Crown land, while maintaining the integrity of the natural areas. The most serious management problem on the native lands is the encroachment of brush onto the traditional grassland areas. This problem is being addressed by promoting bush control methods such as controlled burns, mechanical methods (bark scrapers, roller choppers and bulldozing), animal impact, and herbicide control. Leafy Spurge is another serious problem, with biological control and sheep/goat grazing being promoted as control methods. To improve forage production and to distribute grazing pressure more evenly on the pastures, several rotational grazing projects have been set up. These management techniques are being promoted and have been demonstrated on several leases.

Demonstration projects include:

- Yellowquill Mixed Grass Prairie demonstrates all of the above management techniques for rotational grazing, brush encroachment, and Leafy Spurge control. This is a joint project with Nature Conservancy of Canada and Manitoba Agriculture and Food as the main partners.

- Roller Chopper Project includes several locations of encroached aspen that has been rolled and chopped. Follow-up treatments to control regeneration (herbicide spray and wick applied, animal impact, and controlled burn) are being completed and evaluated.

The Land Representatives also represent the agricultural viewpoint at the local level (Southwest Bloc Planning Committee) regarding the Provincial Government's assessment of Crown land for multi-resource utilization. Land Representatives also act as a liaison between agricultural users and other resource users such as wildlife, forestry, and mining interests.

5 (b) Southwest Region

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,500.8	46.83	2,543.7	(42.9)	
(2) Other Expenditures	701.9		745.2	(43.3)	
TOTAL EXPENDITURES	3,202.7	46.83	3,288.9	(86.2)	

Central Region (5c)

Farm Management

Farm management staff provided consultation and information to farmers in the areas of financial planning, credit and debt restructuring, mediation services, risk management, cost of production, value-added and diversification, marketing, business organization, taxation, and family farm transfer consultations. Staff also assisted in updating the cost of production publications, preparing farm management training resources and marketing information for farm families.

A total of 7,430 general farm management contacts were made with producers and 1,445 intensive contacts involved 224 individual farm families.

Emphasis was placed on marketing agriculture products throughout the Region, which included the support of 10 grain marketing clubs and four livestock clubs. Regional staff were involved with 23 marketing meetings. Staff participated in the support and promotion of the Manitoba Crop Insurance Program, Net Income Stabilization Account Program (NISA), Canadian Farm Income Program (CFIP), and the Canada-Manitoba Adjustment Program (CMAP).

The farm planning computer program called FarmPlan was demonstrated to 80 producers, lending institution personnel, and at general farm meetings throughout the Region. The Risk Management Project Initiative sponsored 16 meetings on a variety of risk related topics for farm producers.

Value-added and diversification inquiries continued to increase as producers adapted to the new market realities of higher transportation costs and lower net returns in the grains and oilseed sector.

Crop Production Enhancement

Crop production enhancement activity involved 16,112 general and 2,285 in-depth contacts with clients.

Staff were involved in numerous cropping activities that addressed crop type, crop variety adaptation, and new crop development. Staff were also involved in replicated crop variety evaluations at Treherne and Portage la Prairie, both sites being comprehensive satellite sites for the Manitoba Crop Variety Evaluation Team (MCVET). Agronomic demonstration sites were established at these locations and at Baldur, Rosebank, and Crystal City. Demonstrations involved such areas as new crop development, fertility manipulations, manure application, insect monitoring, and disease scouting. Tours were conducted at each location with more than 600 people in attendance. Self-guided tours occurred at these demonstration sites throughout the growing season.

There were 57 one-day events such as tours, meetings, and seminars addressing crop and livestock production with more than 2,813 clients in attendance. Fifteen in-depth training courses (compiling 12 days) were also offered with more than 70 clients participating. Topics included new crop opportunities, Fusarium Head Blight management, winter wheat production, disease and insect update/management, herbicide product updates, genetically modified varieties, and fertilizer management.

In 2001/2002 the Department coordinated numerous on-farm tests. The tests were organized to evaluate new technologies with producers and to determine the economic

viability of new products. Four Fusarium Head Blight fungicide and micronutrient on-farm tests were established. Results were compiled and distributed at extension meetings, as well as in newletters and newspaper articles. The Region had a number of projects occur within the Regional Project and Fund Management Initiative including activities in vomitoxin management in feed barley, dormant seeded canola, farm management, and forage crop production.

Central Region staff assisted in the coordination and delivery of cropping activities at the Portage la Prairie and Winkler Manitoba Crop Diversification Centres (MCDC). Crop research and demonstrations included: forage establishment and production; nutraceutical and medicinal crops; field beans; soybeans; fungicide trials; and annual silage crops.

Livestock Production Enhancement

Central Region staff made 5,863 contacts with beef clients, including 1,544 in-depth consultations.

Beef clients were provided with technical extension expertise on a wide range of topics including: beef nutrition information, feed testing, ration building, rotational grazing systems, forage management, extended fall grazing, fencing, and improved water systems and quality. Economics and farm management topics included beef cow lease agreements, pasture leasing, beef marketing information, feed lot management, and budgeting. Producers requested and were provided with information on National Identification, Quality Starts Here, herd health practices, Foot and Mouth Disease, safe handling of cattle, manure management, environment guidelines, and riparian area management. Staff supported the 4-H Program through judging and selection workshops, fat stock sales, 4-H beef shows, office administration, and records.

Central Region beef production meetings included: the Holland Beef Day; Holland Calf IRM Workshop; Plum Coulee Cow Calf Grazing Meeting; Pilot Mound BASA (Beef) Annual Meeting; Cartwright Extended Grazing Meeting and Plant ID Tour; Cartwright DU Grazing Club Pasture Tour; Cartwright Fall Calf Marketing Meeting; Cartwright Extended Grazing Livestock Tour; Clearwater Dylan Biggs Stockmanship Clinic; Plumas Feeder Outlook; Gladstone Feeder Calf Outlook Meeting; Benchland Annual Meeting; Portage Beef Marketing Workshop; and the Austin Beef Producers Meeting.

There were a total of 1,676 contacts regarding livestock facilities. There were 562 contacts relating to other livestock including bison, elk, ratite, goats, sheep and rabbits, and staff had 293 contacts concerning livestock insects and disease. There were also 84 contacts regarding livestock performance programs.

Extension staff had 1,141 contacts with dairy producers, through individual consultations, at meetings, or other events of which 303 were in-depth. Technical information and advice was given on many subjects, including: forage quality and cutting times; forage preservation, management, marketing; milking management, mastitis prevention, milk quality; feed sampling, interpretation, feeding plans; calf and heifer management; dairy facilities and feeding systems; animal health, Foot and Mouth Disease, and herd bio-security concerns; and financial management, budgets, and quota issues. The Central Manitoba Holstein Club had a successful year with events and activities including Dairy Day, Central show, and a fall tour of herds in the Interlake. Dairy meetings were held at MacGregor, and there were four sessions with the newly formed Altona Dairy Discussion Group. There was interest in the marketing of dairy genetics with several trade missions

visiting dairy farms in the region. Staff planned, coordinated, and carried out a successful trade display at World Dairy Expo.

Staff provided swine extension information to producers, local governments, and agri-business through 1,963 consultations through individual contacts and group meetings. Regional activities included three manure extension meetings, three barn safety meetings, and one general extension meeting. Staff organized and delivered information at a meeting associated with the Canadian Quality Assurance Program for pork.

Other activities by staff included assisting with the organization of the 16th Annual Swine Seminar and coordinating the Region's Technical Review Team.

The Regional Technical Review Committee reviewed a total of 22 applications for proposed livestock operations. As required by the terms of reference for the Technical Review Committee, Manitoba Agriculture and Food carried out 34 site inspections comprised of 244 quarter sections for the purpose of evaluating site conditions and the proponent's manure management strategy. There were 95 contacts with proponents of new and/or expanding livestock operations, 143 contacts with municipal councils, 72 contacts with the general public 38 contacts with consultants on behalf of the proponents, and 154 contacts with members of the Central Region Technical Review Committee in preparation of the Technical Review Reports.

There were 22 proposals reviewed by the Technical Review Committee, of which 15 were approved by municipal councils three proposals were not approved and four proposals are pending council decision.

4-H and Youth

In 2001/2002 Central Region had a 4-H membership of 1,048 members and 442 leaders. District and Regional staff made 10,489 general and 1,486 in-depth contacts. Rural leadership development, communication skills training, meeting management experience, agricultural awareness, and technical skill development were all supported by the 10 district councils, 60 clubs, and Manitoba Agriculture and Food staff. The annual Regional Communications event organized by the Regional 4-H Council and the 4-H & Youth Specialist, attracted 112 4-H members in 11 categories. Other regional 4-H events included the Senior Members Conference with 48 participants and the Central Region Adventure for Zestful Youth Camp for 48 intermediate 4-H members. The Central Region Educational Weekend provided a weekend camping experience for 50 junior 4-H members. A new, joint initiative with the Eastern/Interlake Region was held for Senior Members (15-19 years) in which 37 members, including 25 members from the Central Region, enjoyed fellowship and learning at a "Sleepover Under the Stars" at the Museum of Man and Nature.

The Regional Equine Association planned a Regional 4-H Horse Show with 23 participants. District 4-H Councils were involved in a variety of activities that provided educational and other opportunities for members and leaders including workshops, rallies, fun bonspiels, potluck meals and recreational sports days.

The primary clients of the 4-H Program included 4-H members, parents, and leaders. The program provided clients with an opportunity to improve their leadership, communication, meeting management, and life skills.

Soil and Water Conservation

In the fourth year of the Covering New Ground program, staff provided assistance to 12 Local Delivery Groups. Staff made 6,800 general client contacts and 375 in-depth contacts.

The major focus of projects in the region was the ongoing support of producer directed demonstration and diagnostic sites highlighting sustainable cropping practices, environmental management practices, and soil conservation. Initiatives involved "Checkstrips" at Rosebank, Baldur and Crystal City, and "New Crop Adaptation" in Portage la Prairie. The sites provided a diagnostic component for clients interested in Integrated Pest Management, as well as demonstrating crop diversification options, new crop options, and their adaptation to local producers. Over 400 interested clients participated in activities such as field demonstrations, soil conservation trials, and sustainable crop rotation plots.

Regional highlights included: manure analysis followed up with manure management planning; extended/alternative grazing system promotion; feed testing; forage quality assessment; pulse crop management; sealing abandoned wells; and pasture micronutrient analysis.

A number of communication activities were held in the Region. Eight summer tours were held with approximately 250 producers in attendance, and eight annual technical meetings were held with approximately 200 producers in attendance. The Checkstrips series, which was comprised of eight biweekly articles, was sent to local papers. In addition, 25 newspaper articles were distributed throughout the region to local newspapers and 24 newsletters.

The South Tobacco Creek Project, located in the Central Region, was directed by the Deerwood Soil & Water Management Association with technical assistance from Manitoba Agriculture and Food, as well as financial assistance from Covering New Ground. This project included a detailed study of agricultural land use in relation to environmental factors such as water quality/quantity. Research activities included small dam headwater storage, preservation of water quality through headwater storage, comparison of run-off water quality between conventional and zero-tillage, the study of manure applied to a small watershed and the impact on water quality, the analysis of sediment loading in the watershed, and maintenance of background run-off water quality data.

Home Economics and Human Resource Management

Home Economists supported the Diversification and Adding Value programs of the department by facilitating the activities of two agri-tourism networks. One Home Economist served as a member of the planning committee for the provincial *Producers Making It Happen* Conference. Also, staff worked with farmers' markets and agricultural societies to improve the marketing of products and the understanding of value-added product development. In addition, one regional agri-ventures tour was held with 37 participants.

Farm safety activities in the region were carried out in support of the Farm Profitability programs. Staff assisted in the delivery of the "Always Be Careful (ABC) on the Farm Safety" provincial training. Four volunteers from the Region completed this training. As well, six safety events were held for over 700 students. One staff member worked on the planning for a livestock producers safety training event. All farm safety programming was completed in co-operation with other regional staff as well as community resource

individuals and agencies. The agencies included: the Community Farm Safety Project; Farm Safety 4 Just Kids chapters; Farmers with Disabilities; and Progressive Farmer Safety day camps.

Food Safety and Quality programming included a regional FoodSTEPS workshop, which was targeted to beginning, small, and medium-sized food processors to help them address their food safety and quality responsibilities. One staff member assisted with a provincial food safety display that was used at the Manitoba Farm Women's Conference, as well as throughout the region. Over 25 food safety sessions were held with over 900 people in attendance.

Staff continued to support the leadership development initiatives within the 4-H, Agricultural Society, and Women's Institute programs. Staff provided both technical and leadership development information for clients in the 4-H program. One staff member was a member of the Education Committee of the Winkler Aquifier Management Advisory Board.

Agricultural Awareness programs targeted mainly the non-farming public. Home Economists assisted in staffing three provincial displays that were held at St.Vital Mall, the Red River Ex and Amazing Grains, as well as five smaller regional events

Staff made over 2,000 individual contacts. There were 105 group sessions totaling more than 5,200 participants.

Value-Added and Diversification

Staff provided information to farm families, entrepreneurs, agri-business, and producer organizations in the area of value-added and diversification. Staff made a total of 3,957 general contacts and 197 in-depth consultations.

Staff organized two tours providing the opportunity for producers to learn about new ideas and research leading to new value-added initiatives.

The U.S. Grain Marketing and Processing Tour was held with 41 Manitoba producers attending. Topics covered included forage and livestock exporting, buckwheat and edible bean processing, hay marketing, current food trends, grain marketing and processing, and an agricultural products development pilot plant.

Central Region staff were an integral part of the "Agriculture: Producers Making It Happen" conference held in Morris with 106 producers attending. Attendees were able to hear from agriculture producers and agri-business owners about successful agriculture ventures.

Manitoba Crop Insurance

Central Region staff allocated seven percent of their time to the Manitoba Crop Insurance Program. Staff routinely assisted in the explanation and compilation of over 4,000 Seeded Acreage Reports, 4,000 Harvested Production Reports, and the sale of additional hail insurance.

Engineering

Staff continued to place a strong emphasis on environment management. Ensuring that farm practices were conducted in an environmentally safe and sustainable manner was the bulk of engineering activity in the region.

Three extension meetings were conducted with the topic "Managing Manure – the Storage, the Application and the Odour" being part of the continuing "Manure as a Resource" regional emphasis. As part of the Provincial Conferences "Livestock Options for the Future", a presentation "Covers and Others" was given outlining some of the new and innovative odour control and manure treatment methods available to producers. The conference included three separate bus tours with the Central Region tour featuring a large feedlot and layer operation, a soil and water conservation project, a new type of manure storage, and a negative pressure cover for earthen storage.

Six farm practices investigations and eight environmental assessments were conducted by the Regional Engineer. In addition, 29 in-depth engineering design consultations related to livestock facilities, grain storage and handling, and farmstead planning were done. As well, 26 engineering assessments of proposed intensive livestock operations were done as part of the technical review process.

Agricultural Crown Lands

Land Representatives located in Dominion City, Teulon, and Neepawa monitored and administered 282,820 acres of agricultural Crown land within the Central Region.

Land Representatives, in co-operation with Regional staff and the Agricultural Crown Lands Branch, administered the disposition of agricultural Crown land, and encouraged enhanced land management and production. The dispositions consisted of 748 forage leases, 45 cropping leases, 172 renewable hay/grazing permits, and 26 casual hay/grazing permits.

The main activity of staff was to administer long-term forage and cropping leases on Crown land classified for agricultural use. The assessment of Crown land for multi-resource utilization was the responsibility of the Central Bloc Planning Committee and Southwest Bloc Planning Committee. Other activities included the administration of Provincial Waterways and administration of the Portage Diversion project.

5 (c) Central Region

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,133.9	45.79	2,458.5	(324.6)	1
(2) Other Expenditures	710.9		721.2	(10.3)	
TOTAL EXPENDITURES	2,844.8	45.79	3,179.7	(334.9)	

1. *The variance under authority was mainly the result of vacancies.*

Eastern/Interlake Region (5d)

Farm Management

Farm Management information was provided to producers and agri-businesses through 3,079 general contacts, 1,462 in-depth consultations, and a variety of farm management extension meetings. These contacts covered topics such as production economics, financial management, record keeping, business arrangements, marketing, and estate planning.

Regional Farm Management staff assisted in the development of the Bridging Generations Manitoba Agricultural Credit Corporation (MACC) Loan Program. This program focuses on assisting the transfer of Manitoba farms to young producers.

Staff provided information and assistance to producers on government safety net programs such as the Canadian Farm Income Program (CFIP), Net Income Stabilization Account (NISA), and the Manitoba Crop Insurance Program.

Crop Production Enhancement

Crop production information was provided through 14,867 individual general contacts and 3,316 in-depth consultations.

Cash and export hay markets continued to be an important area of interest to the forage industry in the region and staff were involved in: sourcing new dairy markets in the United States; developing trade missions and displays such as the World Dairy Expo in Wisconsin and the Washington Hay Growers Conference; and developing newsletters targeted for regional hay producers and marketers. Regional hay lists continued to be important in identifying potential supplies for local and export markets.

Staff continued to focus their forage extension efforts on the agronomy involved in producing the quality of hay that is needed for export. Extension activities were centered on the agronomy and management techniques required in producing good quality exportable hay. Numerous demonstration plots were developed throughout the region to support this effort.

Staff continued to support the establishment and development of a viable hay processing industry in the Region by motivating producers to become involved in the industry. Extension activities focussed on promoting proper production methods required.

Grazing management was of increased interest to clients in the Region, by both traditional livestock producers and general crop farmers who were considering diversifying into forages and livestock. Regional staff organized a provincial grazing school and a regional grazing seminar, as well as several tours and short courses. Pasture planning workshops and on-farm consultations continued, and included projects utilizing hog manure as a fertility source for pastures and annual crops.

Regional staff coordinated the provincial forage adaptation and variety testing program, with test centres at Arborg, St. Pierre, Neepawa, Carman, and Roblin. Activities included the evaluation of forage cultivars for herbage yield and winter hardiness. Staff also co-operated with the Manitoba Forage Seed Association (MFSA) in the operation of the Western Grass Seed Test, a variety test coordinated out of Alberta that involved the Western Provinces. Timothy cultivars were also evaluated for quality and disease resistance for use in the compacted timothy hay industry.

Regional staff were involved in forage research and development in Western Canada for both forage seed and forage management. This involvement occurred in co-operation with Agriculture and Agri-Food Canada, other provincial departments, MFSA, seed trade companies, and the University of Manitoba. Staff assisted in the publication of *Seed Manitoba* and in supervising the publication of the *Forage Seed News*, a national publication.

Regional staff have led efforts in developing the grass seed production industry in Western Canada. They coordinated a major investigation effort in weed control in forage crops. The effort looked at crop tolerance to herbicides for 17 different crops in an effort to develop expanded registered options for weed control in these new crops. Regional staff also led efforts to address disease issues in both legume and grass seed crops with a series of investigative trials across Manitoba.

Staff participated in rotational grazing demonstrations and various forage related projects located at the Narcisse Community Pasture, the Seven Sisters Grassland site, and on-farm sites. The goals of these projects were to demonstrate effective pasture management, maximize gain on pasture, forage varieties and to continue to attract producers as consignors of cattle and tour/workshop participants.

Regional staff assisted provincial specialists in evaluating, testing and promoting new cropping options including the establishment of an Oriental Vegetable growers group. They also worked with Agriculture and Agri-Food Canada, the University of Manitoba, industry, and commodity groups on winter wheat, oats, soybeans, and edible beans. Staff provided local data on the performance of new varieties of large acreage crops and demonstrations of novel/special crops through the use of three Manitoba Crop Variety Evaluation Team (MCVET) sites and a Grow with Canola site.

Staff assisted in the writing and editing of provincial publications providing producers with timely crop production and protection information. There were 62 district, regional, and provincial crop production meetings and tours organized on crop related topics. Crop commodity clubs provided producers with in-depth production and marketing skills.

Soil and Water Conservation and Sustainable Agriculture

Ten participating groups received funding for 44 projects, which were augmented by four regional projects, under the Covering New Ground Program, Manitoba's agricultural sustainability initiative.

On-farm conservation and sustainable agricultural activities involved over 6,929 individual contacts and 769 in-depth consultations. Approximately 4,700 farmers, municipal officials, and non-agricultural residents participated in 18 meetings and 10 field days.

Staff responded to 283 subdivision requests and inspected over 150 sites to evaluate those requests. Fourteen meetings were held with farmers and municipalities on livestock manure management, zoning and land use issues. Staff continued to assist seven planning districts, and reviewed their development plans and zoning bylaws. Three farm practices complaints were reviewed and submitted by staff to the Provincial Farm Practices Protection Board.

The Regional Technical Review Committee reviewed a total of 39 applications for proposed livestock operations. As required by the terms of reference for the Technical Review Committee, staff carried out 45 site inspections comprised of 382 quarter sections for the purpose of evaluating site conditions and the proponent's manure management strategy. During the process, staff had 150 contacts with proponents of new and/or expanding livestock operations, 44 contacts with municipal councils, 22 contacts with the general public, 60 contacts with

consultants on behalf of the proponents, and 235 contacts with members of the Technical Review Committee. Of the 39 proposals reviewed by the Committee, 27 were approved by municipal councils and seven were not approved. At present five proposals are before council.

Livestock Production Enhancement

Livestock extension activities included 5,578 general contacts and 2,254 in-depth consultations.

Beef Extension

Staff made 2,407 general contacts and 1,026 in-depth consultations relating to production, nutrition, breeding, insect and disease control, pasture management, livestock facilities, cattle handling, record keeping and performance programs, as well as marketing. The Region also hosted three of five Manitoba Beef Producer Seminars, which were held in Roseau River, Teulon, and Eriksdale. Over 600 producers and 100 members of the agriculture and agri-business community attended these sessions that addressed topics such as forage fertility, cattle market outlook, strategic alliances in the beef industry, grazing alfalfa, and cost of production with emphasis on the profitability of an efficiently run cattle operation. During the year, other district meetings were held throughout the region and addressed topics such as backgrounding nutrition, marketing, animal health, silage production, mineral nutrition, feed processing, fly control, bull evaluation and selection, fencing technologies, record keeping, and cow-calf management.

The Gunton Bull Test Station, in conjunction with the Interlake Livestock and Forage Improvement Association (ILFIA) operated a livestock evaluation centre. Tests were conducted on over 218 bulls, which included fall born bulls and two-year-olds. The centre held several educational events for 4-H beef and dairy clubs in the region. The station also has several projects underway in conjunction with Agriculture and Agri-Food Canada, the University of Manitoba, and Manitoba Agriculture and Food. The centre is involved in a cow/calf operation that studies different management and production models. A herd of 100 cows was purchased by ILFIA through a Manitoba Agricultural Credit Corporation (MACC) loan.

Dairy Extension

Dairy extension activities included 459 general and 258 in-depth consultations. The Region's two dairy clubs, comprised of 450 dairy producers, continued their activities. Staff organized regional and district dairy seminars, tours and clinics that included topics such as milking management, udder health, estate planning, nutrition, facility expansion, and improved efficiencies in dairy operations. Staff were involved in two of the four largest regional seminars in the province that attracted an attendance of about 300 producers.

Agricultural Engineering Extension

Agricultural engineering extension included 561 general contacts and 292 in-depth consultations. Engineering activities covered beef, dairy, swine, poultry, and equine ranching (PMU), with an emphasis on addressing beef facilities regarding environment modification and corrections, design layouts for strawbase loose housing of finishing pigs, and work on a monitoring program for hoop structure barns. Other activities included comparison of manure fertilizer application methods on forages, drainage design, construction, and demonstrations at the Gunton Bull Test Station. An increase in livestock production in the region had a substantial effect on the number of technical reports prepared.

Swine Extension

New barns and the expansion of existing barns continued this year. Staff were involved in 1,069 general discussions and 439 in-depth consultations related to pig production. A study of soil nutrient levels was conducted looking at hoop structures that house growing/finishing pigs. This study established the safety of straw bedded systems for the environment.

In addition, one regional meeting and 15 district meetings were held. The regional meeting presented information relating to rearing pigs in straw bedded systems and was attended by 65 producers from across the province. The Region hosted a number of major functions including the Manitoba Farm Writers' Tour, and two of the tours offered by the "Livestock Options for the Future" conference. Tours included visits to demonstration projects on the use of new manure management technologies, odour reduction, and fertilizing pastures and hayfields. Staff assisted the University of Manitoba with two tours for students.

Staff provided information on ration formulation, breeding management, business structure and opportunities, manure management, and engineering aspects of pig production. Regional and district staff provided assistance and input to several provincial level initiatives.

4-H and Youth

Regional staff supported an active 4-H program, which involved 1,168 members and 480 4-H leaders participating in 60 4-H clubs. The focus of the region's program was to provide training and opportunities in communication, leadership, and skill development. Farm and rural safety and agriculture awareness themes were also incorporated into youth activities in the region.

Several activities occurred in conjunction with the Regional 4-H Councils. These activities included: training events, a senior members' conference, four major senior member activities, three intermediate level conferences or events, one regional junior member activity, two regional communications events, two horse shows, and a regional beef day. As well, bursary awards were awarded by the Regional 4-H Councils. In co-operation with staff, 11 district councils organized training events, rallies, fun days, 10 district leader appreciation nights, and district communication events. The district council also presented achievement awards.

During the year, staff made 11,309 general contacts and 464 in-depth contacts with 4-H clients. Clients use the 4-H program to improve their leadership, communication, production, and life skills.

Home Economics and Human Resource Management

Family Connections, in its 27th year of publication, was written and edited by regional Home Economists three times a year and covered topics related to Manitoba's agriculture and agri-food industry. The magazine had a circulation of over 3,000 farm and rural families. Selected articles were posted on the Manitoba Agriculture and Food website. Other communication activities included writing news columns for local newspapers, radio spots, and office newsletters. As well, one staff member was on the *Big Breakfast* show.

Regional Home Economists jointly organized and promoted five microbusiness tours including a Bed and Breakfast Tour, Food Processing, Manitoba Food Products, How Green Is Your Thumb, and Adding Value to Animals. All Home Economists were involved in the design and delivery of resources and programs with innovative consumer-friendly messages focussed on the diversity, quality, and safety of Manitoba's agricultural and food products. This was done through displays, presentations, and health fairs.

Home Economists, in conjunction with Regional staff, organized and staffed the "Where's Agriculture?" display at the St. Vital Mall in Winnipeg. More than 1,000 individuals visited the display designed to increase the awareness of the agriculture and agri-food industry among urban consumers. Home Economists also staffed displays at the Red River Exhibition and the Farm and Food Days to promote agriculture awareness to the urban/rural consumer.

Leadership skill development activities included working with 4-H, agricultural societies, Women's Institute, and strategic alliances, as well as farm safety and wellness days throughout the region. Provincial activities included work with the Direct Farm Marketing Conference, Manitoba Farm Women's Conference, and the Agriculture: Producers Making it Happen Conference.

Regional Home Economists were involved in 6,443 general contacts and 1,308 in-depth consultations. All of the Home Economists were involved in the Home Economics New Initiative Committee for Destination 2010.

Value-Added and Diversification

Staff provided advice and technical information to producers and rural entrepreneurs on a variety of value-added and diversification ventures. Information included business development, marketing, financing, production technology, and the economics of value-added and diversified agricultural products. There were 1,795 general contacts and 524 in-depth contacts for value-added and diversification.

Consultations, seminar presentations, and tours were held involving areas such as: beef feedlot; grass-fed livestock; roasting soybeans; custom composting; regional cuisine; sea buckthorn; hemp; Christmas trees; woodlots (hybrid poplar); herbs and spices; flax as a nutraceutical; oriental vegetables; pastured poultry; agri-tourism; bed and breakfasts; rural craft businesses; organic production; pesticide-free production; greenhouses; market gardens; U-pick fruits and vegetables; food processing; food service; mushrooms; consumer trends; and marketing.

Consultations included the use of the Kitchen to Market kit (Blue Box) by food processors in the developmental stages. The new food products included an organic bread mix using ancient grains.

New business starts included bed and breakfasts, teahouses, manufacture of auto-sorters for hog hoop structures, market gardens, greenhouses, and semi-processing oats for the equine market using a former Agricore elevator.

Manitoba Crop Insurance

Eastern/Interlake Region staff allocated five percent of their time to the Manitoba Crop Insurance Program. Staff provided support through 600 general and 178 in-depth consultations regarding program explanation, Seeded Acreage Reports, and Harvested Production Reports.

Agricultural Crown Lands

Four Land Representatives located in Dominion City, Teulon, Arborg, and Ashern monitored and administered 542,895 acres of agricultural Crown land. The four districts have a total of 987 forage leases, 42 cropping leases, 26 casual hay/grazing permits and 232 renewable hay/grazing permits.

Each Land Representative is responsible for administering Crown lands identified for agricultural production and for encouraging improved management and production on these lands. Projects were carried out on Crown land to reduce the problem of aspen encroachment, such as clearing, spraying, controlled grazing of cattle and goats, and burning. Over 400 acres of bush on Crown land were cleared and will be developed into tame forage.

The Arborg and Ashern district offices hosted the Annual Crown Lands Fall Meeting and Tour. Sites included a red bartsia weed problem, use of goats to control aspen regeneration after timber harvesting, a gravel pit rehabilitation site, a potential managed grazing site on a Wildlife Management Area, and the use of fire as a control of aspen regeneration. The tour was attended by Land Representatives from each district office in the province, the Branch office staff from Minnedosa, as well as several staff from Agriculture and Food, and Conservation.

5 (d) Eastern/Interlake Region

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	3,363.8	66.46	3,470.0	(106.2)	
(2) Other Expenditures	1,198.6		1,310.6	(112.0)	
TOTAL EXPENDITURES	4,562.4	66.46	4,780.6	(218.2)	

Agricultural Crown Lands (5e)

The primary objective of the Agricultural Crown Lands Branch is to administer leases and permits as set out in policy, and to represent the agricultural interests in Crown Lands for the benefit of both lessees and the Province of Manitoba.

The Branch represents the agricultural interests in the Provincial Government's assessment of Crown land for multi-resource use. Staff participate actively on the Bloc Planning Committee and the Crown Land Classification Committee to ensure that suitable lands are classified for agricultural use.

During 2001/2002, the Branch provided administration and management of 2.4 million acres of Crown land with 2,316 long-term forage leases involving 1,570,721 acres, and 79 cropping leases, involving 11,242 acres. The remaining lands are offered for permit on a yearly basis.

Agricultural Crown Lands staff provide a liaison with Prairie Farm Rehabilitation Administration (PFRA) and their community pasture program that operates primarily on Provincial Crown land. During the 2001 summer grazing season, approximately 51,957 head of cattle and 3,344 horses/colts used 24 PFRA pastures.

5 (e) Agricultural Crown Lands

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	645.9	15.00	673.2	(27.3)	
(2) Other Expenditures	282.6		285.8	(3.2)	
TOTAL EXPENDITURES	928.5	15.00	959	(30.5)	

Policy and Economics (6)

The Policy and Economics Division coordinates long-term policy and program development for Manitoba Agriculture and Food. This Division conducts analysis and provides agricultural statistics, marketing, and production information to the general public and staff. Policy and Economics provides funding for the administration of various boards and commissions and to the University of Manitoba in support of agricultural research.

Economics (6a)

The primary objectives of the Economics Branch are: to provide analysis/evaluation and management support documents towards enhancing the economy and effectiveness of the Department's programs and activities; to provide central budget/estimates support through the preparation of narratives through all major phases of the Department's Estimates process; to provide coordination of long term policy and program development within the Department; and to provide agricultural statistical, marketing, and production information to farmers, the agriculture and agri-food industry, and staff.

Program Analysis Section

During 2001/2002, the Program Analysis Section prepared and coordinated program narratives for the Department's preliminary and final Estimates document, the *Supplementary Information for Legislative Review* publication and other explanatory documents in support of Manitoba Agriculture and Food's proposed budget. Also, staff coordinated and edited the *Estimates Debate Book* in conjunction with the Financial Administration Branch of the Department.

The Program Analysis Section coordinated and edited an updated version of the *Programs and Services for Agriculture and Food* profiles found on the Department's Home Page. These profiles are designed to inform readers of available client services provided by the Department. In addition, the Section also coordinated the annual updating of other various documents.

Program Analysis provided program information to central and external agencies. The Section coordinated the completion of several surveys, including compilation of data on the Department's research and scientific activities. As well, the Section provided the Department with leadership, central coordination, and editing in the creation of its new vision document, entitled *Destination 2010*. Along with Boards and Commissions Support Services, the Section provided central support and advisory assistance to the Department executive, management, and staff in the development of its business plan program profiles submitted to Treasury Board.

The Branch was involved on the Home Page Management Committee that provided leadership in coordinating information on the Department's Home Page. The Department's Home Page is located on the World Wide Web, where producers, agribusiness, and Manitoba Agriculture and Food staff obtain timely information concerning crop production, livestock production, and current climate conditions. The Home Page serves as a tool, to inform the general public about Manitoba's diverse, safe, and nutritious products. Staff maintain over 8,000 files online, and the site receives over 300,000 hits per month.

Policy Analysis Section

During 2001/2002, the Policy Analysis Section participated in agricultural policy review processes such as safety net development, international and internal trade, transportation, grain marketing,

environment and adaptation, and adjustment initiatives representing Manitoba. Staff participated in regional and provincial meetings to update producers and staff on agricultural policy issues.

Staff participated in a federal-provincial-territorial process to broaden the Framework Agreements that guide the development and management of safety nets in Canada into an Agricultural Policy Framework encompassing Business Risk Management, Renewal, Environment, Food Safety and Food Quality, and Science and Innovation components. As well, staff were involved in the continued evolution of the Canadian Farm Income Program (CFIP), the replacement for the Agricultural Income Disaster Assistance (AIDA) program. Staff participated extensively in the development of the Canada Manitoba Adjustment Program 2 (CMAP 2), which provided adjustment assistance to grain and oilseed producers. Staff also assisted in the implementation of CMAP 2.

The Section participated in the continued development of the Agri-Food Research and Development Initiative (ARDI) from an operational perspective. Staff also provided the secretariat and some research proposal review services for the ARDI Council.

Staff participated in the review of the federal grain handling and transportation reforms and provided input, along with Manitoba Highways and Government Services, to the *Canada Transportation Act (CTA)* Review process.

The Section provided input for bilateral trade negotiations with the United States (US) on issues such as dairy, cattle, the Canadian Wheat Board (CWB) and grain, and with the European Union (EU) on issues such as the hormone ban in cattle. Staff monitored and provided analysis on the US Farm Bill in its development stages. Staff developed and delivered the second annual Northern Plains Producers Conference held in Winnipeg, which assisted in developing a better understanding between producers in Canada and the US of their commonalties and joint trade issues. Staff continued joint development on a strategy with stakeholders for the next round of the World Trade Organization (WTO), and provided input on Sanitary/Phytosanitary (SPS), and genetically modified organisms (GMOs) issues. Staff represented Manitoba in the Federal-Provincial Agricultural Trade Policy Committee (FPATPC).

Staff analyzed several farm taxation issues such as provincial sales tax on farm resources and inputs, property taxation on farm land and buildings and federal taxation on farm fuels.

Staff assisted in the further development of New Generation Co-operatives in order to serve as a model for value-added agricultural activities. Also, staff further developed and implemented the Motivation, Morale, and Recognition Strategy for Manitoba Agriculture and Food, which included a formal recognition program plan and a Managing to Motivate component for managers.

Market Analysis & Statistics Section

The Market Analysis and Statistics Section assisted Statistics Canada with data preparation and advised Statistics Canada staff on selected Manitoba agricultural statistics. The section published the annual *Manitoba Agricultural Review* and the annual *Manitoba Agriculture Yearbook*. Statistical releases were prepared on items such as farm cash receipts, net farm income, farm finance and bankruptcies, crop production estimates, and trade data. Other publications prepared by staff included *Manitoba Agricultural Statistics*, *Manitoba Livestock Industry Profiles*, *Manitoba Poultry Industry Profiles*, *Manitoba Grains* and *Oilseeds Industry Profiles*, *Manitoba Pulse, Forage and Specialty Crops Industry Profiles*, and *Manitoba Potatoes* and other *Vegetables Industry Profiles*.

A large portion of staff time involved assisting producers and other members of the agri-food industry with requests for agricultural statistical and marketing data and forecasts.

The Market Analysis and Statistics Section prepared and published the *Manitoba Markets Weekly Report* which summarizes crop and livestock market conditions. Annual market outlook presentations were prepared in early January, with public presentations made to producer groups and GrainWorld 2002 in Manitoba, as well as to producers in Toronto and Washington, D.C. Staff also participated in regional meetings throughout the year to update farmers and staff on current market conditions and prospects.

Staff participated in the assessment of appropriate crop prices for use in various programs such as those administered by the Manitoba Crop Insurance Corporation (MCIC), Agricultural Income Disaster Assistance (AIDA), and the Manitoba Agricultural Credit Corporation (MACC).

6 (a) Economics

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,176.4	19.00	1,205.5	(29.1)	
(2) Other Expenditures	310.7		401.6	(90.9)	
TOTAL EXPENDITURES	1,487.1	19.00	1,607.1	(120.0)	

Boards and Commissions Support Services (6b)

This Branch includes the following council, agency, boards and commission:

- Manitoba Farm Products Marketing Council,
- Manitoba Milk Prices Review Commission,
- Manitoba Farm Machinery Board,
- Agricultural Producers' Organization Certification Agency,
- Manitoba Farm Practices Protection Board
- Manitoba Farm Mediation Board, and
- Manitoba Farm Lands Ownership Board

Manitoba Farm Products Marketing Council

The objective of the Manitoba Farm Products Marketing Council is to provide effective administration of *The Farm Products Marketing Act*. The Council is responsible for supervising the operations of various boards and commissions, and enforcing the regulations. It serves as an appeal body for individuals affected by a regulation, order, or decision of these boards and commission.

Staff support the work of the Council members by providing required background documentation and analysis for meetings and appeals and reviewing regulatory proposals and amendments as well as national marketing issues. Council staff also advises the Department Executive on marketing policy issues and respond to public and producer inquiries. They maintain regular contact with management staff of the boards and commission, other provincial supervisory councils, and the National Farm Products Council.

In 2001/2002, the Council supervised the following producer boards and marketing commission:

- Manitoba Beekeepers' Association
- Manitoba Broiler Hatching Egg Commission,
- Manitoba Chicken Producers
- Manitoba Egg Producers,
- Manitoba Milk Producers,
- Manitoba Pork Council,
- Manitoba Turkey Producers, and
- Peak of the Market

The Council convened eight meetings at which one appeal was heard, one investigative hearing was conducted, and four delegations made presentations. The Council's activities were primarily focussed on: the enactment of *The Farm Products Marketing Act*; review of the structure and authority of the Manitoba Broiler Hatching Egg Commission; quota allocation procedures of the Manitoba Chicken Producers; procedural complaint within the Manitoba Egg Producers; and inspections relating to the marketing of eggs and potatoes.

Manitoba Beekeepers' Association

The Council did not have any involvement or concerns with the Manitoba Beekeepers' Association for the fiscal year.

Manitoba Broiler Hatching Egg Commission

In response to an industry request, an independent third party was engaged to review the following:

- Identify the issues and concerns within the industry;
- Establish whether progress can and/or has been made in eliminating the concerns;
- Where concerns exist, make recommendations as to resolving the concerns; and
- Focus the review on the Hatching Egg Producer Registration and Broiler Hatchery Licensing Regulation, the Broiler Hatching Egg Administration Levy Regulation, and the structure of the Manitoba Broiler Hatching Egg Commission.

A Report by the third party was presented to the industry stakeholders (producers, hatcheries, and processors) with the following recommendations:

- All industry participants (hatcheries and producers) be licensed or registered under the authority of the Commission;
- Repeal the levy on live chick imports;
- Restructure the Commission and permit industry participants to nominate two representatives from each segment of the industry for a two-year term, and appoint an independent chairperson by the Lieutenant Governor in Council;
- The new commission is to be given a 12 month period to review the operations and policies. Failure to reach an agreement on outstanding issues by the end of this period results in the appointment of a new commission with sufficient powers to enforce the regulations and orders;
- Industry to optimize local production and fully utilize provincial allocation;
- Lift freeze on new entrants to the hatching egg industry. Develop allocation criteria for existing producer expansion and new entrants;
- Update cost of production for hatching eggs, and establish regular intervals at which to review the price of eggs; and
- Develop a formal communication process between the industry participants.

The decision was made to proceed with the restructuring of the Commission. The industry was requested to nominate two producers and two hatchery representatives. Appointment of an independent chairperson and industry nominees by the Lieutenant Governor in Council is pending.

Manitoba Chicken Producers

The Council held several discussions with the Board respecting the proposal to revise the quota allocation methodology. The Board's proposal is summarized as follows:

- Expansion of the industry will be equally distributed over four years, commencing in 2003;
- Total expansion will be 2.16 M. kilograms live weight or 27 percent of the present provincial basic allotment;
- One-third of the expansion will be allotted to new entrants, with the balance distributed to existing producers;
- Existing producers will be allotted a fixed amount of 7,000 kilograms plus 9.3 percent of their existing basic allotment;
- New entrants will each be allotted 30,000 kilograms;
- Five geographic regions are to be established; and
- A non-refundable application fee of $150 will be required.

In 1998, the national poultry agencies were directed by the Ministers/Deputy Ministers to revise the Federal-Provincial Agreements to provide the agencies with greater flexibility in adjusting

their marketing systems upon changing market conditions. The Chicken Farmers of Canada was the first agency to complete the process and the Agreement was signed by the three Manitoba Signatories.

Manitoba Egg Producers

The Council convened an investigative hearing into a procedural complaint from two Board Members on the Board's practices of conducting its meetings. After reviewing the documentation submitted, and the submissions made during the hearing, the Council found that the Board properly considered the Member's Notice of Motion in a manner that was consistent with the Administration By-Law #1/86 and was supported by reference to Roberts Rules of Order (Modern Edition), without denying the Member's rights as a duly elected Member of the Board.

The Council authorized one inspection of a non-registered producer's facilities and it was determined that the producer was within the 499 laying hen limit.

The Council and the Board continued to consult on the proposed Federal-Provincial Agreement.

Quota for a total of 28,020 laying hens and 39,579 pullets was exchanged, with clearing prices ranging from $62.50 to $63.00 per laying hen and $3.01 to $6.03 per pullet.

Manitoba Pork Council

Manitoba Pork Council continued to focus primarily on research activities involving manure management, hog production, environmental practices, quality assurance, and animal welfare. Additional activities involved industry training, market development, promotion, and consumer awareness.

The Hog Administration Levy remained at $0.85 per hog and $0.20 per exported weanling. As a result of a levy being imposed on the inter-provincial and export marketing of weanlings, the Administration By-Law was amended to establish a separate district for weanling producers to be represented on the Manitoba Pork Council.

Manitoba Milk Producers

Manitoba Milk Producers marketed 294.0 million litres of milk during 2000/2001 as compared to 293.2 million litres in 1999/2000. This represents an increase of 0.8 million litres, or 0.30 percent. Total butterfat production decreased by 0.75 percent, from 11,155,645 kilograms in 1999/2000 to 11,072,013 kilograms in 2000/2001.

Manitoba Milk Producers continued its participation in an all market and all revenue sharing agreements with Saskatchewan, Alberta, and British Columbia.

As a result of the World Trade Organization ruling on the export of Canadian dairy products, the Manitoba Milk Producers are no longer involved in exports of milk and dairy products, pricing, and volume determination. An agreement was reached with the industry whereby all contracts are offered to Manitoba producers on an export contract exchange operated by third party administrators.

The Council approved the Damaged Milk Charges Regulation which permits the Board to charge the offending producer (antibiotic infraction) for damaged milk in an amount equal to the value of the damaged milk plus costs.

Quota for a total of 1,442.12 kilograms of butterfat was exchanged with the clearing prices ranging from $14,300 to $16,499 per kilogram.

Manitoba Turkey Producers

The Board's request to remove the ten percent transfer assessment on the turkey quota reallocated on the monthly quota exchange was approved by the Council.

Quota for a total of 190,678 kilograms of turkey was exchanged with the program clearing price being $2.30 per kilogram.

Peak of the Market

The Council approved several inspections respecting the marketing of potatoes outside of the jurisdiction of the Board. One charge of obstruction of an inspector has been laid and a court date is pending.

Peak of the Market is reviewing its quota transfer policies for presentation to the Council.

Manitoba Milk Prices Review Commission

The Manitoba Milk Prices Review Commission was established under *The Milk Prices Review Act*, 1980. Its mandate is to set a producer price for fluid milk, and to monitor and control wholesale and retail milk prices as required. In 2001/2002, the Commission had two meetings.

The Commission met with Manitoba Milk Producers twice during this period to determine if new producer, wholesale, and retail prices for fluid milk were required. The September 2001 Manitoba Dairy Farm Cost of Production (COP) Summary showed a price increase of $2.40/Hl for the producer, increasing the producer price for fluid milk from $64.83/Hl to $67.23/Hl. The Commission recommended that the fluid milk price at the producer level be changed to $67.23/Hl and that the maximum wholesale price and the maximum retail price for homogenized milk, 2%, 1%, and skim milk be increased by $0.03/litre for fluid milk sold in 1 litre containers. This change was effective October 15, 2001.

The January 2002 Manitoba Dairy Farm COP Summary showed a price increase of $4.48/Hl for the producer, increasing the producer price for fluid milk from $67.23/Hl to $71.71/Hl. The Commission recommended that effective February 1, 2002 that the fluid milk price at the producer level be changed to $71.71/Hl and that the maximum wholesale price and the maximum retail price for homogenized, 2%, 1%, and skim milk be increased by $0.05/litre.

In setting the producer price equal to the cost of production, the Commission established a fluid butterfat payment/deduction to producers for milk with a butterfat content above/below the 1989/90 dairy-year average level (3.7034 kg of butterfat/Hl of raw milk). This adjustment continued to be valued at $5.3000/kg of butterfat.

Manitoba Farm Machinery Board

The Farm Machinery Board administers *The Manitoba Farm Machinery and Equipment Act*, involving the Board with all segments of the farm implement industry: producers, dealers, distributors, and manufacturers. In 2001/2002, eight board meetings were held.

The Farm Machinery and Equipment Act requires lenders financing farm machinery by means of a lien note security document, to apply to the Board for leave to repossess when an account falls under arrears and before repossession can occur. Manitoba is the only jurisdiction in Canada requiring a quasi-judicial body's judgement before farm machinery repossession can occur.

In 2001/2002, the Board received and processed 141 applications for leave to repossess, an increase of 51 (72 percent) over the same period in 2000/2001. The Board licensed 154 dealers and 95 vendors.

Agricultural Producers' Organization Certification Agency

The Agricultural Producers' Organization Funding Act requires that the Agency certify one general farm policy organization and provide a funding mechanism for designated commodity organizations.

In 2001/2002, the Agency convened two meetings and two conference calls.

The Agency conducts annual meetings with the designated commodity associations to review their activities from the past year and to be informed about their anticipated projects for the upcoming year. In 2001/2002 the Agency met with the Manitoba Canola Growers Association, Manitoba Forage Seed Association, Manitoba Pulse Growers Association, Manitoba Corn Growers Association, and the Manitoba Buckwheat Growers Association.

The Agency approved an increase to the maximum annual membership fee of Keystone Agricultural Producers from $100 to $125.

The Agency accepted the revised petition of the National Sunflower Association of Canada and a referendum was undertaken among sunflower producers. The petition was defeated as 49.4 percent of producers voted against the National Sunflower Association of Canada becoming the designated representative of sunflower producers in Manitoba. The requirement under *The Agricultural Producers' Organization Funding Act* is 60 percent approval.

The Agency accepted the revised petition of the Manitoba Flax Growers Association, and a referendum amongst the flax producers will be conducted early in the 2002/2003 year.

Representatives from the Western Grain Elevator Association and the Animal Nutrition Association of Canada (A.N.A.C.) met with the Agency to discuss the issue of certain purchasers not collecting and remitting various check-off levies. The Manitoba Pulse Growers Association, Keystone Agricultural Producers, and the Manitoba Corn Growers Association raised this issue. The Western Grain Elevator Association agreed to resolve this issue with its members by working with the various designated commodity organizations. The Agency requested the A.N.A.C. to ensure that its members are collecting the levies.

Manitoba Farm Practices Protection Board

The Farm Practices Protection Act establishes a process for reviewing and mediating disputes arising from practices of legally established agricultural operations. The Act is intended to protect agricultural operations that are conducting their activities in a normal manner, as well as to bring about changes in practices that unacceptably disturb neighbors.

During 2001/2002, the Board received 13 complaints and convened nine meetings. Eight complaints were heard, all of which related to odour disturbances. The Board upheld eight complaints and ordered the agricultural operations to modify their farm practices to be consistent with normal farm practices. One complaint was refused, and two complaints were withdrawn. Two complaints remain pending.

The Act was amended to allow the Board to amend previously issued Orders in response to a request from the agricultural operation, or an application from the person affected by the Order.

As research continues into the effectiveness of innovative technology and advanced management practices, the Board is now able to review previous Orders.

Manitoba Farm Mediation Board

The Manitoba Farm Mediation Board conducts the program delivery activities of *The Family Farm Protection Act*. The Board assists farmers in improving and sustaining their farming operations under difficult economic conditions through mediation with their creditors, financial counselling, and loan payment guarantees.

During 2001/2002, the Board received 149 applications from both farmers and lenders for assistance in resolving financial difficulties. These applications resulted in 139 new mediation cases. There were 72 cases in progress from the previous year, for a total of 211 cases for mediation. Of this total, 151 cases were completed during the year, with 103 requiring a formal mediation process. Of those completed, 72 resulted in an agreement, representing a success rate of 70 percent.

The Board administers the Special Farm Assistance Fund. The Fund was established to help producers obtain an arrangement involving continued credit facilities or a leaseback of property conveyed to creditors. Three types of guarantees were offered in 2001/2002, namely loan payment guarantees, lease payment guarantees, and security value guarantees. Emergency operating assistance may also be provided in urgent situations. In order to qualify for a guarantee, the operation must demonstrate viability and the producer, the lender, and the Board must agree to a farm financial plan.

In 2001/2002, the Board approved guarantees for 13 new farm clients, with a total liability of $419,786 over a maximum four-year period. There were 57 farmers who had guarantees during the year, with a total potential liability of $631,431. The actual amount paid was $95,019, or 15 percent of the liability. The fund is provided by Manitoba Agriculture and Food, through the Manitoba Agricultural Credit Corporation.

The Board held seven meetings to review activities and policy issues, and to consider guarantee requests.

Farm Lands Ownership Board

The Farm Lands Ownership Board considers applications for exemption under the *Farm Lands Ownership Act*, from non-Canadians and public organizations who wish to acquire an interest in farm land in Manitoba. The objective of the Act is to ensure that farmland resources are preserved for existing and future generations of Canadians.

The Act allows unrestricted ownership by all Canadian citizens and permanent residents, strictly Canadian owned organizations, and qualified immigrants. Individuals or corporations not qualifying for unrestricted ownership are limited to 40 acres of farmland unless they receive an exemption from the Board.

In 2001/2002, the Board received 37 applications for exemption, 17 of which involved non-Canadian individuals and corporations. The other 20 involved Canadian-based corporations and other organizations with some non-Canadian interests. There was one application still under consideration from the previous year. Of the 37 applications that were considered, 31 were approved and the other six were declined. In 24 of the cases (65 percent), the Board's decision was made within 30 days of receiving the application.

The Board met seven times in 2001/2002 to consider applications for exemption and to review policy issues.

6 (b) Boards and Commissions Support Services

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	353.3	7.19	419.3	(66.0)	
(2) Other Expenditures	531.2		637.4	(106.2)	
TOTAL EXPENDITURES	884.5	7.19	1,056.7	(172.2)	

Agriculture Research and Development (7)

The overall objectives of Agriculture Research and Development are: to provide funding for an agriculture development and research initiative aimed at enhancing diversification and value added opportunities in Manitoba's agri-food sector; to provide funding assistance and support to provincial and local organizations to encourage the adoption of sustainable agricultural practices; and to provide funding in support of agricultural research.

Agri-Food Research and Development Initiative (7a)

The objective of the Agri-Food Research and Development Initiative (ARDI) is to provide funding for research and development in support of economic growth and adaptation of Manitoba's agriculture and agri-food sector to meet the changing realities of the global marketplace.

The Province of Manitoba contributed $500,000 to ARDI in 2001/2002. To date, ARDI has approved 283 projects with financial commitments totalling $20.2 million over the lifetime of the program. Funding of ARDI by Manitoba has totalled $13.1 million since the program began with a Federal contribution of $4.1 million. ARDI has the objective to provide, on average, 50 percent of total funding for research and development projects, with matching dollars contributed by industry. This will translate into new investments in research and development totalling $40.4 million in Manitoba.

ARDI provides project-by-project financial support to commodity groups, individuals, industry, and institutions based upon expected potential for return on investment dollars. This program focuses on value-added processing, enhanced production, and exporting of higher value products.

There are three major partners involved in the management of the ARDI program. The ARDI Program Council is responsible for developing ARDI program objectives, policies, and project assessment criteria. The Council also prioritizes ARDI funding and approves eligible project proposals. The ARDI Program Council is an independent committee with representatives from the agriculture and agri-food sector, along with federal and provincial non-voting members.

The Manitoba Association of Agricultural Societies (MAAS) carries out the day-to-day administration of ARDI. MAAS accepts and coordinates funding proposals and administers the disbursement of funds. Manitoba Agriculture and Food Program Advisors provide advisory assistance to MAAS and the ARDI Program Council, by facilitating assessments of eligible project proposals on behalf of the Council.

In 2001/2002, ARDI helped to fund many diverse projects in the following eligible categories:

- **commodities that are well-established and present additional growth or development opportunities;**
- **commodities that are new or alternative and present opportunities for development in Manitoba;**
- **innovative development of machinery or equipment for production or processing enhancement;**
- **biotechnology;**

- **sustainability of the resource base and the environment; and**
- **other innovative proposals.**

7 (a) Agri-Food Research and Development Initiative

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	500.0		1,000.0	(500.0)	1
TOTAL EXPENDITURES	500.0		1,000.0	(500.0)	

1. *The variance under authority was due to the government-wide fiscal restraint.*

Agricultural Sustainability Initiative – Covering New Ground (7b)

The objectives of the Agricultural Sustainability Initiative are: to facilitate the adoption of effective resource management and environmentally sustainable practices to enhance long term sustainability and competitiveness of the agri-food sector; and to facilitate the conservation and enhancement of the natural soil, water, and atmospheric resources that agriculture uses and shares by ensuring the environmental sustainability of the practices employed in the agri-food sector.

Covering New Ground funds activities in three specific areas: sustainable crop management; sustainable forage/livestock management; and integrated pest management, with a goal of developing on-farm management activities to address environmental challenges. Delivery of programming occurs through: local producer groups on a four-region basis; provincial based commodity and agricultural organizations; and two regional crop diversification centres – the Parkland Crop Diversification Foundation and the Souris Valley Irrigation Centre.

In 2001/2002 the four regions delivered programming totaling approximately $560,000.

The Southwest Region, through 19 local delivery groups, undertook 27 projects. The three priority areas for the Southwest Region were: crop production; livestock production; and forage production.

Nine local groups delivered 20 projects in the Northwest Region. The three priority areas for the Northwest Region were: Pasture/Forages and the Environment; Agriculture and Environmental Water Quality Issues; and Annual Crop Production and the Environment.

Eleven local delivery groups undertook approximately 41 Central Region projects. The three priority areas for the Central Region were: Appropriate Land Use and Promotions of Best Management Practices; Water Quality and Quantity; and Input Management.

The Eastern/Interlake Region, through 11 local delivery groups, undertook and coordinated 47 projects. The three priority areas for the Eastern/Interlake Region were: Forage and Forage Seed Production; Livestock Production; and Crop Production.

Twenty-nine provincial organizations, with the support of Manitoba Agriculture and Food staff, carried out a wide range of activities funded at $320,000. The three priority areas for the Provincial Group were: Fertilizer and Manure Impacts on Soil and Landscapes; Erosion on Sensitive Soils and Landscapes; and Agriculture Pest Management Strategies.

The two regional crop diversification centres in Melita and Roblin conducted 32 different trials dealing with crop diversification opportunities, including irrigated crop production. Funding for the two centres was approximately $150,000.

Communication of activities occurred through newsletters, radio interviews, news releases and articles, seminars, workshops, field days, fact sheets, guides, reports, and other extension materials.

7 (b) Agricultural Sustainability Initiative

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	1,137.6		1,200.0	(62.4)	
TOTAL EXPENDITURES	1,137.6		1,200.0	(62.4)	

Grant to University of Manitoba (7c)

The objective of the University of Manitoba grant is to support Faculty of Agricultural & Food Sciences research, with projects primarily aimed at enhancing the productivity and growth of Manitoba's agriculture and food sector. The grant financially assists the Glenlea Research Station and research projects conducted by the Faculty.

Manitoba Agriculture and Food funding represents a significant proportion of total government and corporate contributions for research activities of the Faculty. Various departments within the Faculty received grant monies to assist in their research activities. The Department's grant is important in supporting the Faculty's research aimed at diversifying and sustaining Manitoba's agriculture and food industry.

The Department's grant is a valuable resource to the Faculty in assisting to attract additional outside funding for agricultural research. More specifically, the Department grant serves as a valuable leverage factor in attracting additional resource commitments from other organizations.

7 (c) Grant to the University of Manitoba

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	768.3		768.3	-	
TOTAL EXPENDITURES	768.3		768.3	-	

Grant to the Prairie Agricultural Machinery Institute (7d)

The Department provides financial support to the Prairie Agricultural Machinery Institute (PAMI) for conducting agricultural research, development, and testing of farm equipment and technology aimed at enhancing the productivity and income of Manitoba's agricultural producers. PAMI operates out of Portage la Prairie, Manitoba and Humboldt, Saskatchewan. It is financially supported through an agreement between the Province of Manitoba and the Province of Saskatchewan.

Under the terms of this agreement, Manitoba provides an annual grant of $332,500 to support PAMI activities.

PAMI applies technology as a tool for economic development through client-driven activities. These activities support Manitoba's priorities for international competition, diversification and value-added processing, crop and livestock production, risk management, environment protection, and farm safety.

PAMI plays an important role in technology transfer through its practical research and development, to assist producers and the industry in improving their operations.

7 (d) Grant to the Prairie Agricultural Machinery Institute

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	332.5		332.5	-	
TOTAL EXPENDITURES	332.5		332.5	-	

Agriculture Disaster Aid Programming (8)

The main objective of Agriculture Disaster Aid Programming is to provide for Manitoba's share of assistance, under national farm income disaster programs, to Manitoba producers facing dramatic income declines.

Canadian Farm Income Program (8a)

The objective of the Canadian Farm Income Program (CFIP) is to provide Manitoba farmers with income support during periods when their incomes are significantly reduced due to factors beyond their managerial control. CFIP assistance is provided when a farmer's income (gross margin) drops below 70 percent of his or her historical average. The CFIP agreement provides coverage for a farmer's 2000 to 2002 tax years.

The Province of Manitoba pays 40 percent of the administration costs and 40 percent of the payments to farmers. The federal government covers the remaining costs.

The Manitoba Government's contribution to CFIP for the farmer's 2001 tax year is recorded in the 2001/2002 fiscal year. For the 2001 tax year, farmers can apply for CFIP assistance until October 1, 2002. Payment levels will not be available for the 2001 tax year until processing of the applications are completed.

For the 2000 tax year, 2,036 farmers in Manitoba have received a CFIP payment. Total payments were $37 million (averaging $18,324 per farmer). The Manitoba government's share of this support is $15 million.

8(a) Canadian Farm Income Program

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants Transfer Payments	25,400.0		25,400.0	-	
TOTAL EXPENDITURES	25,400.0		25,400.0	-	

Canada – Manitoba Adjustment Program 2 (8b)

The Canada-Manitoba Adjustment Program 2 (CMAP2) provided Manitoba farmers with ad hoc assistance to lessen the impact of the farm income crisis in the grains, oilseed and specialty crop sectors. The producers in these sectors are faced with making adjustments to compete in the global market with international competitors that receive significantly higher support.

CMAP2 provided $92 million of assistance, which was shared by the Government of Canada and the Province of Manitoba on the basis of 60:40, federal: provincial. The funds were distributed to farmers based on a percentage of their historic qualifying grain sales. In addition, a separate component was developed for beginning farmers to allow them to include sales made during the full crop year rather than on the tax year. Qualifying sales are limited to a maximum of $125,000 for individuals, and up to five shareholders times the individual limit for a corporation. There were 16,976 farmers that received a payment of 7.227 percent of their average qualifying sales. This provides up to $9,025 per individual farmer or $45,125 for corporations that have five shareholders with qualifying sales at the maximum level.

Amortization of Capital Assets (9)

Standard accounting practices in accordance with the Canadian Institute of Chartered Accountants require expenditures on tangible capital assets be amortized over the useful life of the asset. The cost of the capital assets are recorded in Capital Investment (Part B) and amortization on a straight line basis over the periods of service provided by the assets is included as an operating expense (Part A). A half-year's worth of amortization is recorded on assets acquired or disposed of during the year. Tangible capital assets acquired during the year, with a value less than the accepted capitalization limit, were expensed in their respective operating areas.

The department's tangible capital assets include machinery and equipment, as well as the department's share of the costs related to the Desktop Management and Better Methods Initiatives. These assets are amortized over the following period:

Machinery and Equipment	10 Years
Desktop Management Initiative	Various periods ranging between 4 to 10 years
Better Methods Initiative	15 Years

9 Amortization of Capital Assets

Expenditures by Sub-Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	809.7		844.3	(34.6)	
TOTAL EXPENDITURES	809.7		844.3	(34.6)	

PART B

CAPITAL INVESTMENTS

INFORMATION

Part B – Capital Investment

Capital investment provides for the acquisition of equipment. For more information on Tangible Capital Assets and their amortization see Vote 9.

Part B - Capital Investment

	Actual 2001/2002 $ (000's)	Estimate 2001/2002 FTE	Estimate 2001/2002 $ (000's)	Variance Over / (Under)	Expl. No.
Capital Investment	55.8	-	56.0	(0.2)	
TOTAL	55.8	-	56.0	(0.2)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2002 with comparative figures for the previous year

Actual 2001/2002 $ (000's)	Actual 2000/2001 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-1 Administration and Finance				
28.0	27.1	0.9		(a) Minister's Salary	28.0	28.1	(0.1)	
				(b) Executive Support:				
469.7	440.5	29.2		(1) Salaries and Employee Benefits	469.7	496.6	(26.9)	
64.0	88.8	(24.8)		(2) Other Expenditures	64.0	68.3	(4.3)	
45.8	51.0	(5.2)		(3) Policy Studies	45.8	71.2	(25.4)	
				(c) Financial and Administrative Services:				
632.0	694.0	(62.0)		(1) Salaries and Employee Benefits	632.0	791.6	(159.6)	
400.3	447.6	(47.3)		(2) Other Expenditures	400.3	466.2	(65.9)	
				(d) Information Technology Services:				
396.9	374.6	22.3		(1) Salaries and Employee Benefits	396.9	431.8	(34.9)	
68.3	69.2	(0.9)		(2) Other Expenditures	68.3	68.6	(0.3)	
				(e) Human Resource Management Services:				
215.2	245.7	(30.5)		(1) Salaries and Employee Benefits	215.2	282.3	(67.1)	
46.2	48.8	(2.6)		(2) Other Expenditures	46.2	51.3	(5.1)	
2,366.4	2,487.3	(120.9)		Total 03-1	2,366.4	2,756.0	(389.6)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2002 with comparative figures for the previous year

Actual 2001/2002 $ (000's)	Actual 2000/2001 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-2 Risk Management & Income Support Programs				
				(a) Manitoba Crop Insurance Corporation				
3,987.9	3,547.5	440.4	1	(1) Administration	3,987.9	4,465.6	(477.7)	*
22,887.8	25,570.1	(2,682.3)	2	(2) Premiums	22,887.8	24,000.0	(1,112.2)	*
834.1	1,576.2	(742.1)	3	(3) Wildlife Damage Compensation	834.1	1,034.0	(199.9)	*
19,511.9	18,883.5	628.4	4	(b) Net Income Stabilization Account	19,511.9	19,265.0	246.9	
47,221.7	49,577.3	(2,355.6)		Total 03-2	47,221.7	48,764.6	(1,542.9)	
5,658.0	5,181.7	476.3	5	**03-3 Manitoba Agricultural Credit Corporation**	5,658.0	6,284.1	(626.1)	*
5,658.0	5,181.7	476.3		Total 03-3	5,658.0	6,284.1	(626.1)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2002 with comparative figures for the previous year

Actual 2001/2002 $ (000's)	Actual 2000/2001 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-4 Agricultural Development and Marketing				
				(a) Marketing and Farm Business Management:				
1,792.2	1,735.9	56.3		(1) Salaries and Employee Benefits	1,792.2	1,903.3	(111.1)	
1,262.5	1,417.6	(155.1)		(2) Other Expenditures	1,262.5	1,335.8	(73.3)	
353.4	360.9	(7.5)		(3) Agricultural Societies Grant Assistance	353.4	368.4	(15.0)	
42.8	42.9	(0.1)		(4) Other Grant Assistance	42.8	42.8	-	
				(b) Animal Industry:				
1,721.5	1,667.2	54.3		(1) Salaries and Employee Benefits	1,721.5	1,886.0	(164.5)	
1,156.3	1,312.8	(156.5)		(2) Other Expenditures	1,156.3	570.1	586.2	•
				(c) Veterinary Services:				
1,939.5	1,846.0	93.5		(1) Salaries and Employee Benefits	1,939.5	2,025.4	(85.9)	
893.7	717.0	176.7		(2) Other Expenditures	893.7	818.1	75.6	
467.1	494.8	(27.7)		(3) Grant Assistance - Operating	467.1	467.1	-	
299.7	299.9	(0.2)		(4) Grant Assistance - Capital	299.7	300.0	(0.3)	
				(d) Soils & Crops:				
2,782.2	2,566.4	215.8		(1) Salaries and Employee Benefits	2,782.2	3,008.9	(226.7)	
975.0	1,046.4	(71.4)		(2) Other Expenditures	975.0	1,065.6	(90.6)	
567.9	817.7	(249.8)	6	(e) Irrigation Development	567.9	1,572.5	(1,004.6)	•
1,321.5	1,011.9	309.6	7	(f) Food Development Centre	1,321.5	1,321.5	-	
15,575.3	15,337.4	237.9		Total 03-4	15,575.3	16,685.5	(1,110.2)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2002 with comparative figures for the previous year

Actual 2001/2002 $ (000's)	Actual 2000/2001 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-5 Regional Agricultural Services				
				(a) Northwest Region:				
2,295.1	2,128.7	166.4		(1) Salaries and Employee Benefits	2,295.1	2,326.4	(31.3)	
832.0	840.8	(8.8)		(2) Other Expenditures	832.0	860.5	(28.5)	
				(b) Southwest Region:				
2,500.8	2,438.6	62.2		(1) Salaries and Employee Benefits	2,500.8	2,543.7	(42.9)	
701.9	719.6	(17.7)		(2) Other Expenditures	701.9	745.2	(43.3)	
				(c) Central Region:				
2,133.9	2,171.3	(37.4)		(1) Salaries and Employee Benefits	2,133.9	2,458.5	(324.6)	
710.9	717.7	(6.8)		(2) Other Expenditures	710.9	721.2	(10.3)	
				(d) Eastern/Interlake Region:				
3,363.8	3,213.1	150.7		(1) Salaries and Employee Benefits	3,363.8	3,470.0	(106.2)	
1,198.6	1,178.1	20.5		(2) Other Expenditures	1,198.6	1,310.6	(112.0)	
				(e) Agricultural Crown Lands:				
645.9	648.6	(2.7)		(1) Salaries and Employee Benefits	645.9	673.2	(27.3)	
282.6	327.7	(45.1)		(2) Other Expenditures	282.6	285.8	(3.2)	
14,665.5	14,384.2	281.3		Total 03-5	14,665.5	15,395.1	(729.6)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2002 with comparative figures for the previous year

Actual 2001/2002 $ (000's)	Actual 2000/2001 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-6 Policy and Economics				
				(a) Economics:				
1,176.4	1,071.8	104.6		(1) Salaries and Employee Benefits	1,176.4	1,205.5	(29.1)	
310.7	362.8	(52.1)		(2) Other Expenditures	310.7	401.6	(90.9)	
				(b) Boards and Commissions Support Services:				
353.3	411.4	(58.1)		(1) Salaries and Employee Benefits	353.3	419.3	(66.0)	
531.2	591.2	(60.0)		(2) Other Expenditures	531.2	637.4	(106.2)	
2,371.6	2,437.2	(65.6)		Total 03-6	2,371.6	2,663.8	(292.2)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2002 with comparative figures for the previous year

Actual 2001/2002 $ (000's)	Actual 2000/2001 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-7 Agriculture Research and Development				
500.0	1,000.0	(500.0)	8	(a) Agri-Food Research and Development Initiative	500.0	1,000.0	(500.0)	*
1,137.6	1,032.2	105.4		(b) Agricultural Sustainability Initiative	1,137.6	1,200.0	(62.4)	
768.3	768.3	-		(c) Grant to the University of Manitoba	768.3	768.3	-	
332.5	557.5	(225.0)	9	(d) Grant to the Prairie Agricultural Machinery Institute	332.5	332.5	-	
2,738.4	3,358.0	(619.6)		Total 03-7	2,738.4	3,300.8	(562.4)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2002 with comparative figures for the previous year

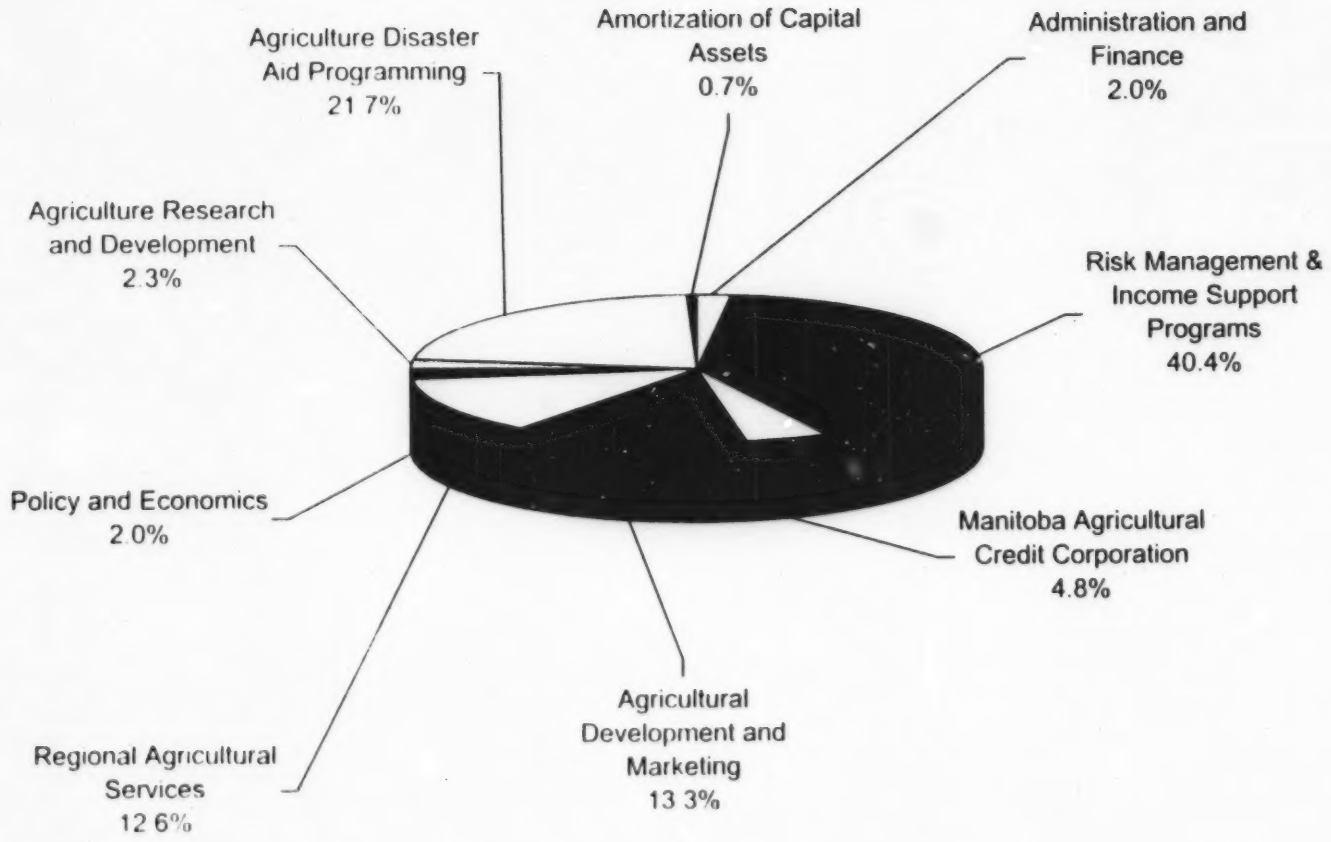
Actual 2001/2002 $ (000's)	Actual 2000/2001 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-8 Agriculture Disaster Aid Programming				
25,400.0	30,400.0	(5,000.0)	10	(a) Canadian Farm Income Program	25,400.0	25,400.0	-	
	38,000.0	(38,000.0)	11	(b) Canada - Manitoba Adjustment Program 2	-		-	
25,400.0	68,400.0	(43,000.0)		Total 03-8	25,400.0	25,400.0	-	
809.7	806.0	3.7		**03-9 Amortization of Capital Assets**	809.7	844.3	(34.6)	
809.7	806.0	3.7		Total 03-9	809.7	844.3	(34.6)	
116,806.6	161,969.1	(45,162.5)		**TOTAL: DEPARTMENT OF AGRICULTURE & FOOD**	116,806.6	122,094.2	(5,287.6)	

- Explanations for these variances can be found in the respective sub-appropriation detail.

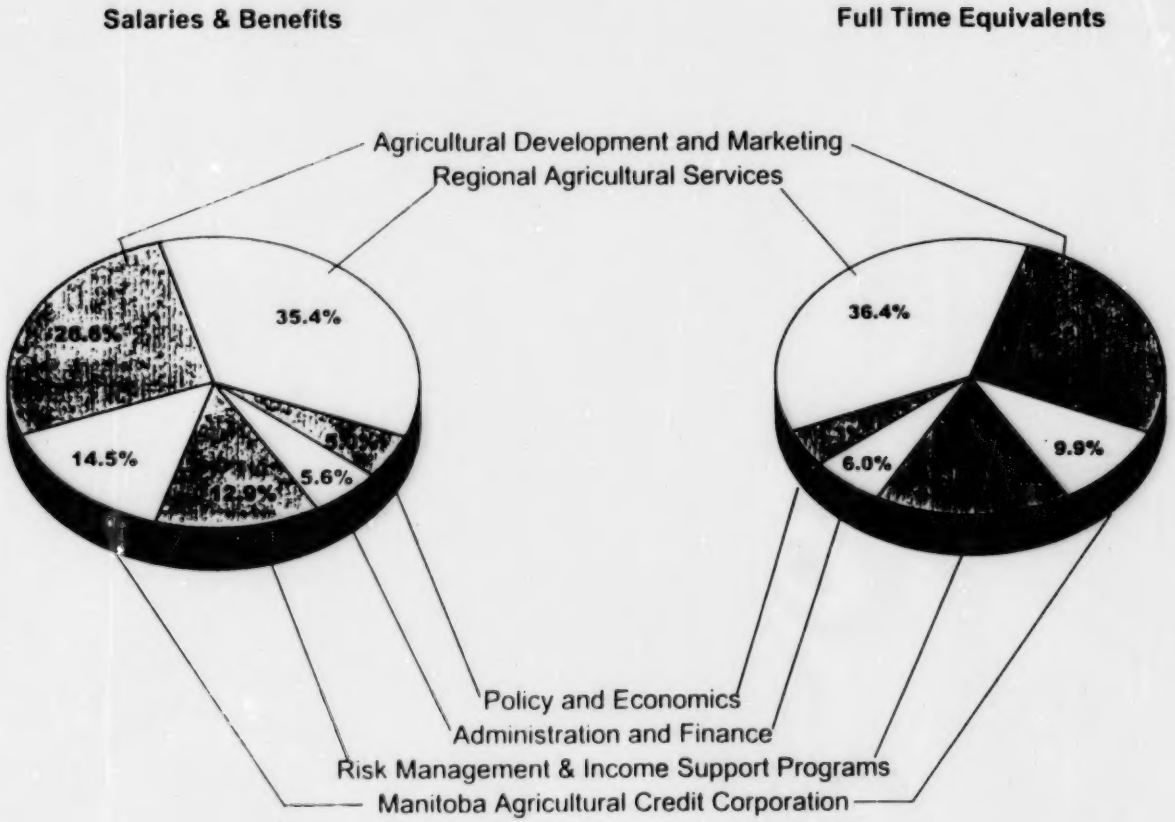
Explanation Number

1. *The increase in Administration of $440.4 was mainly due to an overall increase in claim activity, salary and travel costs.*
2. *The decrease in Premiums of ($2,682.3) was mainly due to fewer insured acres caused by excess moisture in various parts of the province, an increase in negative self-sustainability load and the introduction of the negative interest load. These decreases were partially offset by an increase in crop value.*
3. *The decrease in Wildlife Damage Compensation of ($742.1) was mainly due to a decrease in big game and waterfowl claims caused by more favorable weather conditions in the fall and winter of 2001/02 compared to 2000/01. These decreases were partially offset by an increase in livestock predation claims.*
4. *The increase in Net Income Stabilization Account of $628.4 was mainly due to improved prices.*
5. *The increase in the Manitoba Agricultural Credit Corporation of $476.3 was mainly the result of:*
   a) *$1,077.6 decrease in Net Interest Income due to a decline in property income resulting from reduced land inventory for sale and lease, and the effect of the one time income amount reflected in the 2000/01 fiscal period for the interest adjustment on capital loans and the revaluation of the provision requirement for Young Farmer Rebate.*
   b) *($518.1) decrease in Loan Guarantees Provision requirements for Guaranteed Operating Loans and Manitoba Feeder Association Loan guarantees.*
6. *The decrease of ($249.8) in Irrigation Development was mainly due to project delays in designing and obtaining licenses and fewer projects submitted in anticipation of a new infrastructure support program.*
7. *The increase in the Food Development Centre of $309.6 was due to an increase in funding to begin to reflect a level that will adequately fund operations and salary adjustments and provide FDC with the ability to meet its economic development targets.*
8. *The decrease in the Agri-Food Research and Development Initiative of ($500.0) was due to the government-wide fiscal restraint.*
9. *The decrease in the Grant to the Prairie Agricultural Machinery Institute of ($225.0) was due to a one-time grant payment in 2000/01 to upgrade facilities in Portage and to enhance the Management Information System.*
10. *The decrease in the Canadian Farm Income Program of ($5,000.0) was due to improvements in commodity prices.*
11. *The decrease in the Canada Manitoba Adjustment Program of ($38,000.0) was due to the implementation of this non-recurring program in 2000/01 to assist producers during the severe and prolonged decline in income due to low world prices for grains and oilseeds*

Manitoba Agriculture and Food
Distribution by Main Appropriation
2001/2002 Expenditures


Agriculture Disaster Aid Programming 21.7%
Amortization of Capital Assets 0.7%
Administration and Finance 2.0%
Agriculture Research and Development 2.3%
Risk Management & Income Support Programs 40.4%
Policy and Economics 2.0%
Manitoba Agricultural Credit Corporation 4.8%
Agricultural Development and Marketing 13.3%
Regional Agricultural Services 12.6%

Manitoba Agriculture and Food
Percentage Distribution of Salaries & Employee Benefits And Full Time Equivalents - 2001/2002



Appendix A
Manitoba Agriculture and Food
Part B - Capital Investment Summary

for the year ended March 31, 2002

Actual 2001/2002 $ (000's)	Actual 2000/2001 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	Actual 2001/2002 $ (000's)	Estimate 2001/2002 $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
55.8	139.0	(83.2)	1	**Capital Investment**	55.8	56.0	(0.2)	
55.8	139.0	(83.2)		Total	55.8	56.0	(0.2)	

1. *The decrease in Capital Investment of ($83.2) was due to the acquisition of relatively less costly assets in 2001/02 as compared to 2000/01.*

Appendix A
Manitoba Agriculture and Food
Revenue Summary By Source

for the year ended March 31, 2002 with comparative figures for the previous fiscal year

Actual 2001/2002 $ (000's)	Actual 2000/2001 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Source	Actual 2001/2002 $ (000's)	Estimate 2001/2002 $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				CURRENT OPERATING PROGRAMS:				
				Government of Canada:				
22.7	22.7	-		4-H Programs	22.7	22.7	-	
2.0	7.3	(5.3)		Rabies Indemnity	2.0	6.0	(4.0)	
158.9	-	158.9	1	Agriculture Income Disaster Assistance	158.9	-	158.9	4
183.6	30.0	153.6		Sub-Total	183.6	28.7	154.9	
				Other Revenue:				
2,258.3	2,228.6	29.7	2	(a) Fees	2,258.3	2,197.2	61.1	5
355.9	372.9	(17.0)	3	(b) Sundry	355.9	340.3	15.6	6
2,614.2	2,601.5	12.7		Sub-Total	2,614.2	2,537.5	76.7	
2,797.8	2,631.5	166.3		Total Current Operating Programs	2,797.8	2,566.2	231.6	
-	-	-		REVENUES RELATED TO CAPITAL:	-	-	-	
2,797.8	2,631.5	166.3		Total Revenue	2,797.8	2,566.2	231.6	

Explanation Number

1. *The increase in Government of Canada – Agriculture Income Disaster Assistance of $158.9 was due to the federal government agreeing to share provincial administration expenditures for the Agriculture Disaster Aid Programming.*
2. *The net increase in fees of $29.7 was mainly the result of Farm Machinery Dealers and Vendors Licenses which are renewed every two years.*
3. *The net decrease in Sundry Revenue of ($17.0) was mainly due to the following:*
   - a) ($ 72.2) *Decrease in the province's share of the residual interest from the Gross Revenue Insurance Program due to lower interest rates.*
   - b) $ 81.4 *Increase due to the recording of the province's share of interest revenue for the Canada – Manitoba Adjustment Programs 1 and 2.*
   - c) ($ 23.3) *Decrease in revenue primarily due to the receipt in 2000/01 of final payments related to the Interest Rate Relief Program.*
4. *The variance over estimate of $158.9 was primarily due to the federal government agreeing to share provincial administration expenditures for the Agriculture Disaster Aid Programming.*
5. *The variance over estimate of $61.1 was primarily due to a higher than anticipated demand for Veterinary Diagnostic Services.*
6. *The variance over estimate of $15.6 was the result of the following:*
   - a) ($ 292.1) *Less Elk revenue than estimated mainly due to the slaughter of a large number of elk in accordance with Canadian Food Inspection Agency testing procedures and the depressed market prices for elk due to concerns over the chronic wasting disease.*
   - b) $ 198.8 *Interest revenue on the provincial share of the Gross Revenue Insurance Program (GRIP) surplus.*
   - c) $ 81.4 *Interest revenue due to the province for Canada-Manitoba Adjustment Programs 1 and 2.*
   - d) $ 35.2 *Unexpected salary recoveries and the recovery for improvements on land sold to the municipalities by Crown lands.*

Appendix B
Manitoba Agriculture and Food
Five Year Expenditure and Staffing Summary by Appropriation

for years ending March 31, 1998 - March 31, 2002

Appropriation		Actual / *Adjusted Expenditures									
		1997/1998		1998/1999		1999/2000		2000/2001		2001/2002	
		FTE	$ (000's)	FTE	$ (000's)	FTE	$ (000's)	FTE	$ (000's)	FTE	$ (000's)
03-1 Administration & Finance	(1)	39.39	2,427.6	36.39	2,488.5	36.39	2,557.6	36.39	2,487.2	36.39	2,366.4
03-2 Risk Management and Income Support Programs		88.00	52,731.2	88.00	52,204.3	98.00	51,236.9	100.00	49,577.3	101.00	47,221.7
03-3 Manitoba Agricultural Credit Corporation	(2)	50.00	7,732.7	50.00	7,536.3	50.00	8,794.4	61.00	5,181.1	61.00	5,658.0
03-4 Agricultural Development & Marketing	(1)	154.73	12,574.5	157.73	13,305.3	157.73	13,954.8	162.73	15,337.5	161.73	15,575.3
03-5 Regional Agricultural Services	(3)	217.87	12,497.6	217.87	13,236.6	217.87	14,025.7	219.87	14,384.9	219.87	14,665.5
03-6 Policy & Economics	(2)(3)	26.19	2,043.5	26.19	2,092.0	26.19	2,363.4	26.19	2,437.1	26.19	2,371.6
03-7 Agriculture Research and Development		-	5,752.8	-	8,785.9	-	4,801.4	-	3,358.0	-	2,738.4
03-8 Agriculture Disaster Aid Programming	(4)	-	-	-	-	-	107,108.5	-	68,400.0	-	25,400.0
03-9 Amortization of Capital Assets		-	-	-	-	-	725.8	-	806.0	-	809.7
TOTAL: Department of Agriculture and Food		576.18	95,759.9	576.18	99,648.9	586.18	205,568.5	606.18	161,969.1	606.18	116,806.6

* Adjusted figures reflect historical data on a comparable basis, in those appropriations affected by a re-organization, during the years under review.

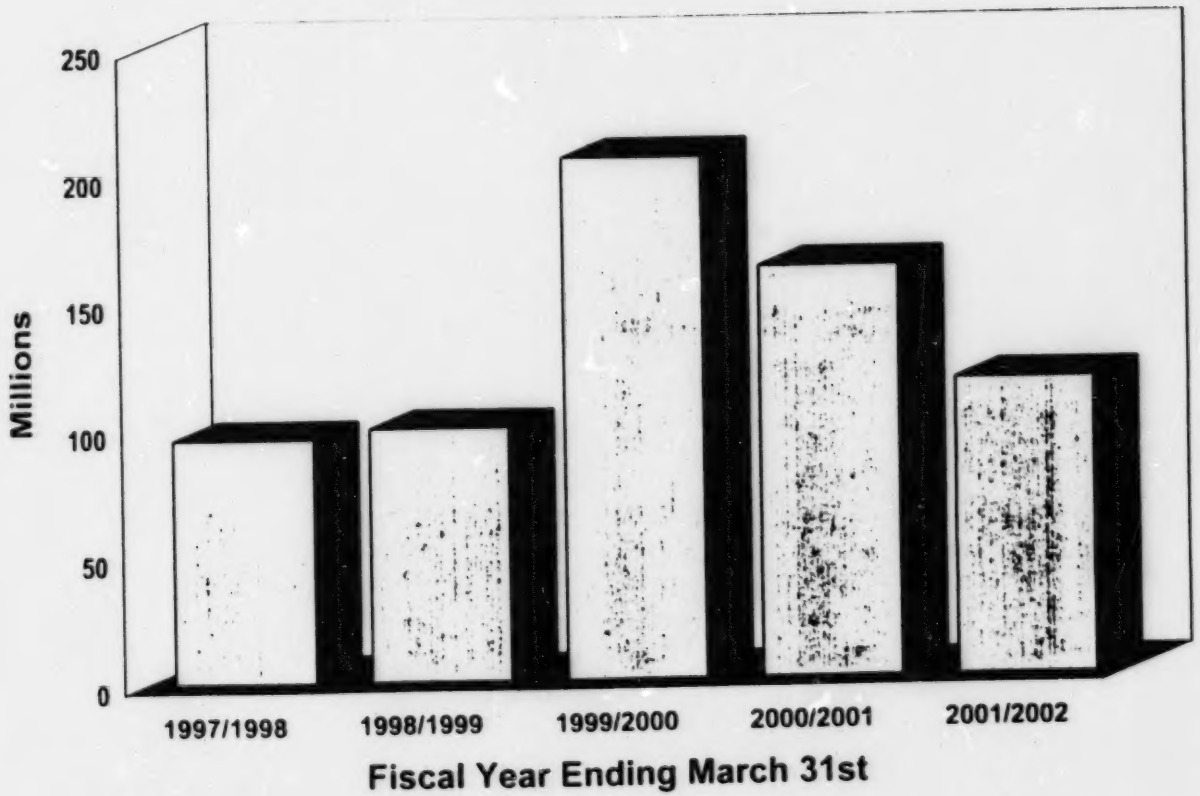
Note: 1) As of 2001/02, actuals for these appropriations have been adjusted to reflect the transfer of Publications Distribution accommodation cost to Agricultural Development & Marketing from Administration and Finance to correctly assign this cost to the appropriate responsibility area.

2) As of 2001/02, actuals for these appropriations have been adjusted to reflect the transfer of 1.00 FTE and $61.4 Salaries and Benefits to Manitoba Agricultural Credit Corporation from Policy and Economics for the position which has been used as MACC's Policy Advisor.

3) As of 2001/02, actuals for these appropriations have been adjusted to reflect the transfer of 1.00 FTE and $61.4 Salaries and Benefits to Policy and Economics from Regional Agricultural Services as a result of centralized program coordination duties.

4) As of 2000/01, the Canada Manitoba Adjustment Program is reflected in Agriculture Disaster Aid Programming. In the prior year, it was itemized as a separate appropriation

Manitoba Agriculture and Food
Five Year Expenditure History
For Years Ending March 31, 1998 to March 31, 2002



Appendix C
Manitoba Agriculture and Food
Reconciliation Statement

DETAILS	2001/2002 ESTIMATES $ (000's)
2001/2002 MAIN ESTIMATES	122,089.3
ALLOCATION OF FUNDS :	
- Internal Reform, Workforce Adjustment and General Salary Increases	4.9
2001/2002 ESTIMATE	**122,094.2**

Appendix D

Manitoba Agriculture and Food
Statutory Responsibilities of the Minister of Agriculture and Food

The Agriculture Credit Corporation Act ..... A 10
The Agricultural Producers' Organization Funding Act ..... A 18
The Agricultural Productivity Council Act ..... A 20
The Agricultural Societies Act ..... A 30
The Department of Agriculture Act ..... A 40
The Agrologists Act ..... A 50
The Animal Care Act ..... A 84
The Animal Diseases Act ..... A 85
The Animal Liability Act ..... A 95
The Bee Act ..... B 15
The Cattle Producers Association Act ..... C 25
The Coarse Grain Marketing Control Act ..... C 140
The Crop Insurance Act ..... C 310
The Crown Lands Act [Sections 6, 7, 10, 12(1), 14, 16, 17, 18, 21, 23, and 24 to 28 both inclusive, insofar as they relate to the administration of Crown Lands which may be designated by the Minister of Conservation as Agricultural Crown Lands, and Agricultural Crown Lands Grazing and Hay Permits Regulation (Manitoba Revised Regulation 288/88) and Forage Leases Regulation (46/88 R)] ..... C 340
The Dairy Act ..... D 10
The Family Farm Protection Act ..... F 15
The Farm Income Assurance Plans Act ..... F 30
The Farm Lands Ownership Act ..... F 35
The Farm Machinery and Equipment Act ..... F 40
The Farm Practices Protection Act ..... F 45
The Farm Products Marketing Act ..... F 47
The Fruit and Vegetable Sales Act ..... F 180
The Horse Racing Regulation Act ..... H 100
The Land Rehabilitation Act ..... L 50
The Livestock and Livestock Products Act ..... L 170
The Livestock Industry Diversification Act ..... L 175
The Margarine Act ..... M 30
The Milk Prices Review Act ..... M 130
The Noxious Weeds Act ..... N 110
The Pesticides and Fertilizers Control Act ..... P 40
The Plant Pests and Diseases Act ..... P 90
[Except that portion of clause 16(c) that pertains to arborists and clause 16 (i)]
The Seed and Fodder Relief Act ..... S 80
The Veterinary Medical Act ..... V 30
The Veterinary Science Scholarship Fund Act ..... V 40
The Veterinary Services Act ..... V 50
The Wildlife Act [Section 89(e) that applies to compensation for damage to crops caused by wildlife as it pertains to big game and migratory waterfowl] ..... W 130
The Women's Institutes Act ..... W 180

Appendix E
Manitoba Agriculture and Food
Elk Management Fund

Balance Sheet
As at March 31, 2002
(with 2001 figures for comparison)

		2002	2001
Assets - Note 1, 3, 5			
	Funds on deposit with the Province	$ 163,623	$ 250
Liabilities and Fund Balance			
	Contractor liability - Note 5	163,623	
	Loan Advance from the Province - Note 4, 7	1,381,830	750,822
		1,545,453	750,822
	Accumulated Fund Balance - Note 2	(1,381,830)	(750,572)
		$ 163,623	$ 250

Statement of Revenue and Expenditures
For the Year Ended March 31, 2002
(with 2001 figures for comparison)

		2002	2001
Revenue - Note 3			
	Antler Velvet/Elk Manuals		50
	License Fees	3,300	4,250
	Course Registration		800
		3,300	5,100
Expenditures - Note 1			
	Administration	68,443	18,159
	Interest	47,369	34,551
		115,812	52,710
Excess of Expenditures over Revenue		(112,512)	(47,610)
Extraordinary loss - Note 6:			
Loss on Recovery of Expenditures		(96,196)	(326,000)
Loss on Writedown of Inventory to Current Net Realizable Value		(422,550)	(609,486)
Net Expenditures over Revenue after Extraordinary Loss		($631,258)	($983,096)

Appendix E
Manitoba Agriculture and Food
Elk Management Fund

Notes to Financial Statements
For the Year Ended March 31, 2002

1. Significant Accounting Policies

(a) The financial statements of the fund are prepared using the accrual basis of accounting.

(b) Expenditures related to the capture and holding of elk is capitalized as inventory and will be expensed when the corresponding revenue, from the dispersal of the captured elk, is recognized.

(c) Expenditures that were incurred on behalf of private landowners and Manitoba First Nations Elk and Bison Council (MFNEBC) has been recorded as a receivable.

(d) Captured elk in holding facilities as at March 31, 2002 remain assets of the Crown and therefore have not been included in the value of the inventory.

2. Nature of Fund

The Elk Management Fund was established under the authority of the Livestock Industry Diversification Act and the Elk Game Production Regulation. The Minister established a management fund for the purpose of funding:

(a) Programs for the protection and enhancement of elk and their habitat.

(b) The capture of elk from the wild, and their maintenance and disposition.

(c) Elk research programs and demonstration projects.

(d) Costs associated with administering the Act.

3. Sale of Elk

Due to an extended testing period mandated by the Canadian Food Inspection Agency (CFIA), the sale of elk was delayed. Testing is expected to be complete by the Fall of 2002. The proceeds from the elk sale held in March, 2002 have been set aside to be included as part of the on-going negotiations with MFNEBC.

4. Loan Advance Province of Manitoba

Interest is charged at prime plus two per cent per annum. Repayment of the advances is due to the Province of Manitoba upon the sale of elk.

5. Contractor Liability

This liability is a result of expected obligations the Fund will incur as a result of settlements with private landowners and MFNEBC.

6. Extraordinary Loss

This loss is due to declining elk prices and delay in elk dispersal because of CFIA testing requirements resulting in additional holding and feeding costs, incurring of expenditures on behalf of MFNEBC and the non-recovery of these expenditures from MFNEBC, and private landowner land access payments for the capture of elk. These factors have resulted in the writing down of the Fund inventory to current net realizable value ($422,550) and allowance for non-recovery of receivables ($96,196) arising from expenditures incurred on behalf of MFNEBC for the fiscal year

ended. It is expected that the Elk Management Fund will have an accumulated deficit of $1,600,000 by the end of Fiscal 2002/03.

7. **Valuation Allowance**

Any provincial expenditure entry for a valuation allowance is recorded in the Department's appropriation - Animal Industry (4B).